



**Altus Group**

**Toronto and Ottawa**

# **Rental Apartment Pro-Forma Analysis May 2022**

20130.102587.000

PREPARED FOR:

**FEDERATION OF RENTAL HOUSING PROVIDERS OF ONTARIO**

PREPARED BY:

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Issued Date: May 18, 2022

18 May 2022

FEDERATION OF RENTAL HOUSING PROVIDERS OF ONTARIO  
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Attention: Mr. Tony Irwin, President and CEO, FRPO

**Re: Toronto and Ottawa Rental Apartment Pro-Formas Analysis**

Dear Sir,

As requested, we analyzed the financial feasibility of a typical multi family rental apartment in Toronto and Ottawa. The report outlines the methodology and assumptions behind the data presented.

The analysis is divided into 3 scenarios – 100% Market Rents, 100% Affordable Rents, and 90% Market Rents and 10% Affordable Rents.

- The Market case incorporates all the current market assumptions.
- The 100% affordable model assumes that rents for all units are based on average market rent from CMHC Rental Market Reports released January 2021.
- 10% Affordable model assumes that rents for only 10% of units is based on CMHC January 2021 Rental Market Reports and the remaining 90% of units are based on current market rental rates.

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Should you have any questions or concerns, please do not hesitate to contact the writer(s).

Yours Truly,

**ALTUS GROUP LIMITED**

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# RENTAL APARTMENT PRO-FORMA ANALYSIS

## 1. Location

The analysis is based on a hypothetical apartment building in Yonge and Eglinton area in Toronto and the Carlington area in Ottawa. The costs and revenue assumptions are as at February 2022. We have used average affordable rents from Zone 3 in Toronto and Clarington / Iris area in Ottawa based the on January 2021 CMHC Rental Market Report.

## 2. Project Statistics

The project statistics of the hypothetical buildings are summarized below:

Item	Toronto	Ottawa
TPA - Total Parking Area (sf)	46,000	55,848
GCA - Gross Construction Area (sf)	240,000	180,000
TCA - Total Construction Area (sf)*	286,000	235,848
NLA - Net Leasable Area (sf)	180,000	140,000
Site Area (sf)	16,318	22,604
Storeys - Above Grade	36	18
Storeys - Below Grade	3	3
Parking Units	100	120

\*TCA = TPA + GCA

Units	Toronto	Ottawa
Studio	65	50
1 Bedroom Units	165	85
2 Bedroom Units	45	70
3 Bedroom Units	35	10
<b>Total</b>	<b>310</b>	<b>215</b>

Stats Analysis	Toronto	Ottawa
Building Efficiency per GCA	75%	78%
Average Gross Unit Size (sf)	774	837
Average Net Unit Size (sf)	581	651

The project statistics as summarized above are based on a comparable projects from our internal databases for Toronto and Ottawa. It should be noted that these statistics are based on a hypothetical scenario.

### 3. Methodology

#### 3.1 Cost

##### 3.1.1 Land and Acquisition Cost

The land costs are assumed at \$225 / GCA (sf) and \$50 / GCA (sf) in Toronto and Ottawa. We have observed significant increase in development land costs in recent years specifically in Toronto. Land costs represent a significant portion of total Development Costs, e.g. for the Toronto Market Rental Building 27.3% of total budget and for the Ottawa Market Rental Building 10.3% of total budget.

##### 3.1.2 Construction Cost

The construction costs are based on our experience numerous projects in both the Greater Toronto Area and the National Capital Region (Ottawa). Furthermore, our assumptions are in line with the Altus 2022 Construction Cost Guide. Construction costs have increased on average between 3-6% YoY in the last 3 years.

In Toronto, we have estimated ±\$285 / GCA (sf) for above grade hard cost and \$195 / TPA (sf) for parking.

In Ottawa, we have estimated ±\$250 / GCA (sf) for above grade hard cost and \$160 / TPA (sf) for parking.

Please note that these metrics are exclusive of construction contingencies.

The building type assumed is a typical structural concrete frame, window wall and assuming mid level of construction finishes. Site specific premiums are not included in our analysis.

##### 3.1.3 Development Charges

For Toronto, we have used current published rates as of November 2021 rates as detailed below:

Unit Type - Toronto	Units	Rate / Unit	Total
Studio / 1 Bed	230	\$35,910	\$8,259,300
2 Bed	45	55,012	2,475,540
3 Bed	35	55,012	1,925,420
<b>Sub - Total</b>	<b>310</b>		<b>\$12,660,260</b>
Education Charges	310	2,693	\$834,830
<b>Total</b>			<b>\$13,495,090</b>

For Ottawa, we have used current published rates as of October 2021 as detailed below:

Unit Type - Ottawa	Units	Rate / Unit	Total
Studio / 1 Bed	135	\$13,344	\$1,801,440
2 Bed	70	18,772	1,314,040
3 Bed	10	18,772	187,720
<b>Sub - Total</b>	<b>215</b>		<b>\$3,303,200</b>
Education Charges	215	2,738	\$588,670
<b>Total</b>			<b>\$3,891,870</b>

The table below summarizes the assumptions used to calculate allowances for other Municipal Costs:

Item	Toronto	Ottawa
Parkland Cash-in-Lieu - % of Land Value	10%	10%
Section 37 – Allowance per unit	4,000	0

### 3.1.4 Professional Fees, Development General and Admin Costs

The Professional Fees and Development General & Admin are allowances, as observed in projects across the respective regions.

### 3.1.5 Marketing Costs

Marketing costs are based on per unit costs, at \$2,500 per unit for Toronto and \$1,800 per unit for Ottawa.

### 3.1.6 Financing Costs

The construction loan is assumed to be CMHC Insured Loan for market rent models and 90% market rent / 10% affordable rent models. 100% affordable rent models assumed CMHC RCFI financing, with an assumed interest rate of 2.5% in all cases. As well, we have included interest expenses throughout the lease-up period. We have assumed 65% loan-to-cost for all models.

### 3.1.7 Operating Expenses, Taxes, and Others

HST on Development Costs are assumed to be recovered during the Development. However, once the building enters the occupancy period, there is a requirement to pay HST based on the value of the building at Stabilization (Self Assessed value). We have captured the GST, PST and rebates on those portions while calculating the net HST payable.

Please note that the difference in net HST payable across different scenarios is due to lower stabilized value, which is a function of NOI and cap rate. As we include more affordable units to the building, the overall NOI gets reduced as the rents charged for affordable units are lower than market rents. This translates to a lower stabilized value, although the percentage of net HST payable remains the same.

### 3.1.8 Contingency

The models incorporate both Construction Contingency and Soft Cost Contingency (noted as Development Contingency on the models). These allowances are based on our experience on working on comparable projects.

## 3.2 Revenue Assumptions

### 3.2.1 Rental Rates

The market rates are based on our experience in the respective markets. We have used the following rental rates:

<b>"Market" Rents / Unit</b>	<b>Toronto</b>	<b>Ottawa</b>
Studio	1,800	1,400
1 Bed	2,500	1,900
2 Bed	3,200	2,400
3 Bed	4,000	2,800
<b>Average</b>	<b>2,624</b>	<b>1,988</b>
<b>"Affordable" Rents / Unit</b>		
Studio	1,620	1,260
1 Bed	2,229	1,710
2 Bed	2,229	2,160
3 Bed	2,229	2,520

\*Affordable rents are based on January 2021 CMHC Rental Housing Report

### 3.2.2 Operating Expenses and Vacancy Allowance

The Operating Cost Ratio is based on our experience on similar apartments and is inclusive of vacancy rate.

We have used 35% Operating Cost Ratio for market models and 90% market rent / 10% affordable rent models. We have used 40% Operating Cost Ratio for affordable models in both geographical locations.

## 3.3 Value at Stabilization

Value at Stabilization is calculated by dividing the NOI by cap rates. Appreciating the sensitivity of cap rates on valuation and investor's appetite, we have used a range as defined below.

For Toronto, we have assumed 3.50%, 3.75% (base case), and 4.00% cap rates.

For Ottawa, we have assumed 4.25%, 4.50% (base case), and 4.75% cap rates

## 3.4 Net Development Yield

Net Development Yield is calculated by dividing the Stabilized NOI by Net Project Budget, whereas, Net Development Yield (excl. land) excludes land value from the Net Project Budget.



#### 4. Sensitivity Analysis

We ran the following sensitivity scenarios for both Toronto and Ottawa models and detailed the results as outlined in Appendix D (Toronto) and Appendix H (Ottawa):

- Land Cost at \$0
- Land Cost at 50% of Value
- No Municipal Levies
- No PST portion on HST on Self Assessment
- 20% additional density (increased the GCA and NSA by 20% and increased number of units).

The revised stats for 20% density addition are as follows:

Item - 20% Additional Density	Toronto	Ottawa
TPA - Total Parking Area (sf)	55,200	67,018
GCA - Gross Construction Area (sf)	288,000	216,000
NLA - Net Leasable Area (sf)	216,000	168,000
Storeys - Above Grade	43	22
Storeys - Below Grade	3	3
Parking Units	120	144

Units - 20% Additional Density	Toronto	Ottawa
Studio	78	60
1 Bedroom Units	198	102
2 Bedroom Units	54	84
3 Bedroom Units	42	12
<b>Total</b>	<b>372</b>	<b>258</b>

Statistics Analysis	Toronto	Ottawa
Building Efficiency per GCA	75%	78%
Average Gross Unit Size (sf)	774	837
Average Net Unit Size (sf)	581	651

## 5. Summary of Findings

See below our summary of findings from the models created:

Summary	Toronto			Ottawa		
	100% Market	100% Affordable	10% Affordable	100% Market	100% Affordable	10% Affordable
GCA – Gross Construction Area (sf)	240,000	240,000	240,000	180,000	180,000	180,000
NLA – Net Leasable Area (sf)	180,000	180,000	180,000	140,000	140,000	140,000
Units	310	310	310	215	215	215
Stabilized NOI	\$6,580,500	\$4,878,276	\$6,425,222	\$3,545,100	\$2,980,800	\$3,488,670
Capital Costs	\$197,830,000	\$187,579,000	\$197,045,000	\$87,491,000	\$85,209,000	\$87,399,000
Development Yield	3.33%	2.60%	3.26%	4.05%	3.50%	3.99%

Sensitivity Analysis findings are summarized below for the Toronto Market Model:

Summary	Toronto – 100% Market Rent Model				
	Land at \$0	Land at 50% Value	\$0 Levies	\$0 PST portion of HST	20% Density Increase
GCA – Gross Construction Area (sf)	240,000	240,000	240,000	240,000	288,000
NLA – Net Leasable Area (sf)	180,000	180,000	180,000	180,000	216,000
Units	310	310	310	310	372
Stabilized NOI	\$6,580,500	\$6,580,500	\$6,580,500	\$6,580,500	\$7,896,600
Capital Costs	\$136,401,000	\$168,273,000	\$173,761,000	\$191,744,000	\$221,473,000
Development Yield	4.82%	3.91%	3.79%	3.44%	3.57%

Refer to Appendix E for details.

Sensitivity Analysis findings are summarized below for the Ottawa Market Model:

Summary	Ottawa – 100% Market Rent Model				
	Land at \$0	Land at 50% Value	\$0 Levies	\$0 PST portion of HST	20% Density Increase
GCA – Gross Construction Area (sf)	180,000	180,000	180,000	180,000	216,000
NLA – Net Leasable Area (sf)	140,000	140,000	140,000	140,000	168,000
Units	215	215	215	215	258
Stabilized NOI	\$3,545,100	\$3,545,100	\$3,545,100	\$3,545,100	\$4,254,120
Capital Costs	\$78,122,000	\$82,798,000	\$81,735,000	\$85,862,000	\$101,616,000
Development Yield	4.54%	4.29%	4.29%	4.13%	4.19%

Refer to Appendix J for details.

In addition, we performed 'Additional Density Required' scenario analyses for each of the Toronto models at 3.50%, 3.75%, and 4.00% cap rates, and Ottawa models at 4.25%, 4.50%, and 4.75% cap rates, to calculate range of 'Additional Density Required' for developers to break-even (i.e. no profit or loss).

Toronto Models	Cap Rates	Range of Density Increase Required to Break Even
100% Market Rents	3.50%	15% - 20%
90% Market Rents, 10% Affordable Rents	3.50%	25% - 30%
100% Affordable Rents	3.50%	250% - 300%
100% Market Rents	3.75%	40% - 50%
90% Market Rents, 10% Affordable Rents	3.75%	55% - 60%
100% Affordable Rents	3.75%	450% - 500%
100% Market Rents	4.00%	75% - 80%
90% Market Rents, 10% Affordable Rents	4.00%	95% - 100%
100% Affordable Rents	4.00%	1,400% - 1,500%

Ottawa Models	Cap Rates	Range of Density Increase Required to Break Even
100% Market Rents	4.25%	35% - 40%
90% Market Rents, 10% Affordable Rents	4.25%	40% - 45%
100% Affordable Rents	4.25%	2,300% - 2,400%
100% Market Rents	4.50%	95% - 100%
90% Market Rents, 10% Affordable Rents	4.50%	120% - 130%
100% Affordable Rents	4.50%	N/A
100% Market Rents	4.75%	250% - 260%
90% Market Rents, 10% Affordable Rents	4.75%	340% - 350%
100% Affordable Rents	4.75%	N/A

Refer to Appendix K for details.

## **6. Reporting Qualifications**

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## **Appendix A: Toronto Market Model**

## Preliminary Development Pro forma - Toronto

February 17, 2022

Altus Group Code	Development Cost	Altus Group Current Budget	Cost Analysis			% Analysis	
			Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
			310	240,000	180,000	81,285,000	197,830,000

## EXECUTIVE SUMMARY

01.00000	Land Purchase & Acquisition Costs	56,923,000	183,623	237.18	316.24	70%	29%
02.00000	Development Approvals And Municipal Costs	21,267,000	68,603	88.61	118.15	26%	11%
03.00000	Construction Costs	81,951,000	264,358	341.46	455.28	101%	41%
04.00000	Professional Fees	2,605,000	8,403	10.85	14.47	3%	1%
05.00000	Development General & Administration Costs	6,059,000	19,545	25.25	33.66	7%	3%
06.00000	FF&E	500,000	1,613	2.08	2.78	1%	0%
07.00000	Marketing And Sales	2,007,000	6,474	8.36	11.15	2%	1%
08.00000	Financing	11,145,000	35,952	46.44	61.92	14%	6%
09.00000	Pre Opening & Interim Operations	1,369,000	4,416	5.70	7.61	2%	1%
10.00000	Operating Expenses, Taxes And Others	13,604,000	43,884	56.68	75.58	17%	7%
11.00000	Project Contingency	2,900,000	9,355	12.08	16.11	4%	1%
	<b>NET PROJECT BUDGET</b>	<b>197,830,000</b>	<b>638,161</b>	<b>824</b>	<b>1,099</b>	<b>243%</b>	<b>100%</b>
	Checks	0					

CONTINGENCIES	Current	
Construction Contingency - Design	1,548,000	2% of Construction Hard Cost
Construction Contingency - Post Contract	2,367,000	3% of Construction Hard Cost
Construction Escalation Contingency	0	0% of Construction Hard Cost
Demolition / Abatement / Remediation	0	0% of Construction Hard Cost
Development Contingency	2,900,000	5% of Soft Costs
<b>TOTAL CONTINGENCIES</b>	<b>3,915,000</b>	<b>2%</b>

## LEGEND

GFA	Gross Floor Area - Above Grade Area (Zoning Area)
GCA	Gross Construction Area - Above Grade Construction Area
TPA	Total Parking Area - Below Grade Area
TCA	Total Construction Area (GCA + TPA)
NSA	Net Saleable Area (Residential)
NLA	Net Leasable Area

## YIELD

Net Development Yield	<b>3.33%</b>
Net Development Yield (excl. Land)	<b>4.58%</b>
Average Residential Rent / Unit	<b>2,624</b>
Average Residential Rent / SF	<b>4.52</b>

## CAPITAL STACK ASSUMPTIONS

Equity	68,000,000	34%
Debt	129,828,887	66%
Interim Income	1,113	0%

<b>Total</b>	<b>197,830,000</b>
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Preliminary Development Pro forma - Toronto

February 17, 2022



Altus Group Code	Development Cost	Altus Group Current Budget	Cost Analysis			% Analysis			
			Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total		
			310	240,000	180,000	81,285,000	197,830,000		
01.00	LAND PURCHASE & ACQUISITION COSTS								
01.01	Land Purchase Price	54,000,000	Placeholder Allowance of \$225/GCA	174,194	225.00	300.00	66.4%	27.3%	
01.02	Land Transfer Tax	2,672,950	Allowance	8,622	11.14	14.85	3.3%	1.4%	
01.03	Land Closing Cost	250,000	Allowance	806	1.04	1.39	0.3%	0.1%	
01.00	<b>SUB TOTAL</b>	<b>56,922,950</b>		<b>183,622</b>	<b>237</b>	<b>316</b>	<b>70.0%</b>	<b>28.8%</b>	
02.00	Development Approvals And Municipal Costs	0		0	0	0	0	0	
02.01	Rezoning Fees	232,000	Based on City of Toronto January 2022 Rates	748	0.97	1.29	0.3%	0.1%	
02.02	Site Plan Approval / Planning Fees	100,000	Based on City of Toronto January 2022 Rates	323	0.42	0.56	0.1%	0.1%	
02.03	Additional Density Fees	1,240,000	Allowance Per Unit	4,000	5.17	6.89	1.5%	0.6%	
02.04	Building Permit Fees	550,000	Based on City of Toronto January 2022 Rates	1,774	2.29	3.06	0.7%	0.3%	
02.05	Development Charges	12,660,260	Based on City of Toronto November 2021 Rates	40,840	52.75	70.33	15.6%	6.4%	
02.06	Development Charges - Education	834,830	Based on City of Toronto May 2022 to April 2023 Rates	2,693	3.48	4.64	1.0%	0.4%	
02.07	Misc. Municipal Fee & Charges	250,000	Allowance	806	1.04	1.39	0.3%	0.1%	
02.09	Capital Contributions - Parkland Cash-in-lieu	5,400,000	Allowance of 10% of land	17,419	22.50	30.00	6.6%	2.7%	
02.00	<b>SUB TOTAL</b>	<b>21,267,090</b>		<b>68,604</b>	<b>89</b>	<b>118</b>	<b>26.2%</b>	<b>10.6%</b>	
03.00	CONSTRUCTION COSTS	81,285,000		262,210	339	452	100.0%	41.0%	
03.01	Construction Cost - Below Grade	8,970,000	Placeholder Allowance of \$195/Sqft Underground GCA	28,935	37	50	11.0%	4.5%	
03.02	Construction Cost - Above Grade	68,400,000	Placeholder Allowance of \$285/Sqft of Above Ground GCA	220,645	285	380	84.1%	34.6%	
03.03	Construction Cost - Site Development	0	Assume incl. above	0	0	0	0.0%	0.0%	
03.06	Construction Contingency - Design	1,548,000	Allowance of 2% of Construction	4,994	6	9	1.9%	0.8%	
03.07	Construction Contingency - Post Contract	2,367,000	Allowance of 3% of Construction	7,636	10	13	2.9%	1.2%	
03.08	Construction Management Fee	0	Assume included in Construction Cost @ 3%	0	0.00	0.00	0.0%	0.00%	
03.09	Utility Connections	300,000	Allowance	968	1.25	1.67	0.4%	0.2%	
03.10	Contractor Default Insurance / Subguard Insurance	365,783	Allowance	1,180	1.52	2.03	0.5%	0.2%	
03.12	Construction Escalation Contingency	0	Excluded	0	0.00	0.00	0.0%	0.0%	
03.00	<b>SUB TOTAL</b>	<b>81,950,783</b>		<b>264,357</b>	<b>341</b>	<b>455</b>	<b>100.8%</b>	<b>41.4%</b>	
04.00	PROFESSIONAL FEES	0		0	0	0	0	0	
04.02	Architect	900,000	Allowance	2,903	3.75	5.00	1.1%	0.5%	
04.03	Structural Engineer	250,000	Allowance	806	1.04	1.39	0.3%	0.1%	
04.04	Mechanical Engineer	250,000	Allowance	806	1.04	1.39	0.3%	0.1%	
04.05	Electrical Engineer	250,000	Allowance	806	1.04	1.39	0.3%	0.1%	
04.06	Civil Engineer	150,000	Allowance	484	0.63	0.83	0.2%	0.1%	
04.07	Landscape Architect	100,000	Allowance	323	0.42	0.56	0.1%	0.1%	
04.08	Interior Designer	100,000	Allowance	323	0.42	0.56	0.1%	0.1%	
04.09	Geotechnical Consultant	40,000	Allowance	129	0.17	0.22	0.0%	0.0%	
04.10	Environmental Consultant	40,000	Allowance	129	0.17	0.22	0.0%	0.0%	
04.11	Shoring Consultant	50,000	Allowance	161	0.21	0.28	0.1%	0.0%	
04.12	Inspection & Testing	125,000	Allowance	403	0.52	0.69	0.2%	0.1%	
04.13	Energy Consultant	25,000	Allowance	81	0.10	0.14	0.0%	0.0%	
04.14	Planning Consultant	75,000	Allowance	242	0.31	0.42	0.1%	0.0%	
04.15	Surveyor	100,000	Allowance	323	0.42	0.56	0.1%	0.1%	
04.16	Cost Consultant	50,000	Allowance	161	0.21	0.28	0.1%	0.0%	
04.17	Miscellaneous Other Consultants	100,000	Allowance	323	0.42	0.56	0.1%	0.1%	
04.00	<b>SUB TOTAL</b>	<b>2,605,000</b>	<b>3.2% of Construction Costs</b>	<b>8,403</b>	<b>11</b>	<b>14</b>	<b>3.2%</b>	<b>1.3%</b>	
05.00	Development General & Administration Costs	0		0	0	0	0	0	
05.01	Legal Fees - General	300,000	Allowance	968	1.25	1.67	0.4%	0.2%	
05.07	Legal Fees - Finance	30,000	Allowance	97	0.13	0.17	0.0%	0.0%	
05.07	Accounting/Audit	420,000	Allowance	1,355	1.75	2.33	0.5%	0.2%	
05.08	Office and Admin	210,000	Allowance	677	0.88	1.17	0.3%	0.1%	
05.10	Property Taxes	1,319,798	Allowance until end of construction	4,257	5.50	7.33	1.6%	0.7%	
05.10	Development Management	3,779,442	3.00% of Project Costs (excl. land, finance, and tax)	12,192	15.75	21.00	4.6%	1.9%	
05.00	<b>SUB TOTAL</b>	<b>6,059,230</b>		<b>19,546</b>	<b>25</b>	<b>34</b>	<b>7.5%</b>	<b>3.1%</b>	
06.00	FF&E	0		0	0	0	0	0	
06.01	Furnishings	500,000	Allowance	1,613	2.08	2.78	0.6%	0.3%	
06.00	<b>SUB TOTAL</b>	<b>500,000</b>		<b>1,613</b>	<b>2</b>	<b>3</b>	<b>0.6%</b>	<b>0.3%</b>	
07.00	Marketing And Sales	0		0	0	0	0	0	
07.01	Marketing and Advertising	775,000	Allowance / unit	2,500	3.23	4.31	1.0%	0.4%	
07.02	Leasing Office (Salaries/ Operations)	775,000	Allowance / unit	2,500	3.23	4.31	1.0%	0.4%	
07.02	Leasing - Model Suites	50,000	Allowance	161	0.21	0.28	0.1%	0.0%	
07.03	Leasing Commissions	406,750	Allowance	1,312	1.69	2.26	0.5%	0.2%	
07.00	<b>SUB TOTAL</b>	<b>2,006,750</b>		<b>6,473</b>	<b>8</b>	<b>11</b>	<b>2.5%</b>	<b>1.0%</b>	

## Preliminary Development Pro forma - Toronto

February 17, 2022



Altus Group Code	Development Cost	Altus Group Current Budget		Cost Analysis			% Analysis		
				Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total	
				310	240,000	180,000	81,285,000	197,830,000	
08.00	FINANCING								
08.01	Loan Commitment Fee	685,000	0.5bps of Construction Loan	2,210	2.85	3.81	0.8%	0.3%	
08.02	Standby Fee	0	Assumed not applicable	0	0.00	0.00	0.0%	0.0%	
08.03	Lender Admin / Discharge Fees	25,000	Allowance	81	0.10	0.14	0.0%	0.0%	
08.05	Project Monitor	162,000	Allowance for 36 months	523	0.68	0.90	0.2%	0.1%	
08.06	Appraisal	15,000	Allowance	48	0.06	0.08	0.0%	0.0%	
08.08	Letter of Credit Fees	20,000	Allowance	65	0.08	0.11	0.0%	0.0%	
08.09	CMHC Application Fee	36,000	Allowance	116	0.15	0.20	0.0%	0.0%	
08.10	CMHC Insurance Premiums	3,425,000	2.5% of Loan Amount	11,048	14.27	19.03	4.2%	1.7%	
08.11	PST on Insurance Premiums	274,000	8% PST on CMHC Insurance Premium	884	1.14	1.52	0.3%	0.1%	
08.16	Construction Loan Interest	6,503,111	2.50% Interest Rate, Allowance including lease up period	20,978	27.10	36.13	8.0%	3.3%	
08.00	<b>SUB TOTAL</b>	<b>11,145,111</b>	<b>Assumed CMHC Insured Loan</b>	<b>35,952</b>	<b>46</b>	<b>62</b>	<b>13.7%</b>	<b>5.6%</b>	
		0		0	0	0	0	0	
09.00	PRE OPENING & INTERIM OPERATIONS								
09.01	Interim Operating Costs	1,368,600	Allowance over Lease up Period (6 months)	4,415	5.70	7.60	1.7%	0.7%	
09.00	<b>SUB TOTAL</b>	<b>1,368,600</b>		<b>4,415</b>	<b>5.70</b>	<b>7.60</b>	<b>1.7%</b>	<b>0.7%</b>	
		0		0	0	0	0	0	
10.00	Operating Expenses, Taxes And Others								
10.01	HST based on Self Assessed Value at Completion	13,603,894	HST on Rental Value, net of rebates (approx 7.75%)	43,884	56.68	75.58	16.7%	6.9%	
10.02	HST Payable on Development Costs	12,537,698	Allowance	40,444	52.24	69.65	15.4%	6.3%	
10.03	HST ITC on Development Costs	(12,537,717)	Allowance	(40,444)	(52.24)	(69.65)	-15.4%	-6.3%	
10.00	<b>SUB TOTAL</b>	<b>13,603,875</b>		<b>43,883</b>	<b>57</b>	<b>76</b>	<b>16.7%</b>	<b>6.9%</b>	
		0		0	0	0	0	0	
11.00	PROJECT CONTINGENCY								
11.01	PROJECT CONTINGENCY	2,900,000	5.1% of total budget (excl. Land and Construction Cost)	9,355	12.08	16.11	3.6%	1.5%	
11.00	<b>SUB TOTAL</b>	<b>2,900,000</b>		<b>9,355</b>	<b>12</b>	<b>16</b>	<b>3.6%</b>	<b>1.5%</b>	
				0	0	0	0	0	
	<b>GROSS PROJECT BUDGET</b>	<b>200,329,387</b>		<b>646,224</b>	<b>835</b>	<b>1,113</b>	<b>246%</b>	<b>101%</b>	
	Checks	0							
12.00	OTHER INCOME								
12.04	Interim Operating Income	(2,500,500)	Allowance over Lease up Period (6 months)	(8,066)	(10.42)	(13.89)	-3.1%	-1.3%	
12.00	<b>SUB TOTAL</b>	<b>(2,500,500)</b>		<b>(8,066)</b>	<b>(10)</b>	<b>(14)</b>	<b>-3.1%</b>	<b>-1.3%</b>	
	<b>NET PROJECT BUDGET</b>	<b>197,828,887</b>		<b>638,158</b>	<b>824</b>	<b>1,099</b>	<b>243%</b>	<b>100%</b>	





FRPO  
Rental Building - Toronto (Market)

Project 102587  
Date 17-Feb-22

**NOI Summary at End of Lease Up Period  
CMHC Financing**

				<i>Annual</i>
<b>Residential Revenue</b>				
Studio Units	65	Units at	1,800.00 per month	1,404,000
1 Bed Units	165	Units at	2,500.00 per month	4,950,000
2 Bed Units	45	Units at	3,200.00 per month	1,728,000
3 Bed Units	35	Units at	4,000.00 per month	1,680,000
<b>Gross Residential Revenue</b>	<u>310</u>	Units at	<u>2,624.19</u> Average per month	<u><b>9,762,000</b></u>
Less: Vacancy Allowance and Operating Expenses @ 35.00%				(3,416,700)
<b>Net Operating Income</b>				<u><b>6,345,300</b></u>
<b>Parking Revenue</b>				
	100	stalls at	200.00 per stall / month	240,000
Less: Vacancy Allowance and Operating Expenses @ 2.00%				(4,800)
<b>Net Operating Income</b>				<u><b>235,200</b></u>
<b>TOTAL STABILIZED NOI</b>				<u><b>6,580,500</b></u>
<b>Value at Stabilization</b>	@ 3.75%	Cap Rate (Base Scenario)	<b>175,480,000</b>	Value Added (Lost) <b>(22,348,887)</b>
	@ 3.50%	Cap Rate	<b>188,014,286</b>	Value Added (Lost) <b>(9,814,602)</b>
	@ 4.00%	Cap Rate	<b>164,512,500</b>	Value Added (Lost) <b>(33,316,387)</b>

## **Appendix B: Toronto 100% Affordable Model**

Altus Group Code	Development Cost	Altus Group Current Budget	Cost Analysis			% Analysis	
			Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
			310	240,000	180,000	81,285,000	187,607,000

**EXECUTIVE SUMMARY**

01.00000	Land Purchase & Acquisition Costs	56,923,000	183,623	237.18	316.24	70%	30%
02.00000	Development Approvals And Municipal Costs	21,267,000	68,603	88.61	118.15	26%	11%
03.00000	Construction Costs	81,951,000	264,358	341.46	455.28	101%	44%
04.00000	Professional Fees	2,605,000	8,403	10.85	14.47	3%	1%
05.00000	Development General & Administration Costs	5,886,000	18,987	24.53	32.70	7%	3%
06.00000	FF&E	500,000	1,613	2.08	2.78	1%	0%
07.00000	Marketing And Sales	1,926,000	6,213	8.03	10.70	2%	1%
08.00000	Financing	6,885,000	22,210	28.69	38.25	8%	4%
09.00000	Pre Opening & Interim Operations	1,252,000	4,039	5.22	6.96	2%	1%
10.00000	Operating Expenses, Taxes And Others	7,514,000	24,239	31.31	41.74	9%	4%
11.00000	Project Contingency	2,900,000	9,355	12.08	16.11	4%	2%
<b>NET PROJECT BUDGET</b>		<b>187,607,000</b>	<b>605,184</b>	<b>782</b>	<b>1,042</b>	<b>231%</b>	<b>100%</b>
	Checks	0					

CONTINGENCIES	Current	
Construction Contingency - Design	1,548,000	2% of Construction Hard Cost
Construction Contingency - Post Contract	2,367,000	3% of Construction Hard Cost
Construction Escalation Contingency	0	0% of Construction Hard Cost
Demolition / Abatement / Remediation	0	0% of Construction Hard Cost
Development Contingency	2,900,000	6% of Soft Costs
<b>TOTAL CONTINGENCIES</b>	<b>3,915,000</b>	<b>2%</b>

**LEGEND**

GFA	Gross Floor Area - Above Grade Area (Zoning Area)
GCA	Gross Construction Area - Above Grade Construction Area
TPA	Total Parking Area - Below Grade Area
TCA	Total Construction Area (GCA + TPA)
NSA	Net Saleable Area (Residential)
NLA	Net Leasable Area

**YIELD**

Development Yield	<b>2.60%</b>
Net Development Yield (excl. Land)	<b>3.65%</b>
Average Residential Rent / Unit	<b>2,101</b>
Average Residential Rent / SF	<b>3.62</b>

**CAPITAL STACK SUMMARY**

Equity	66,000,000	35%
Debt	121,605,444	65%
Interim Income	1,556	0%
<b>Total</b>	<b>187,607,000</b>	

Altus Group Code	Development Cost	Altus Group Current Budget		Cost Analysis			% Analysis	
				Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
				310	240,000	180,000	81,285,000	187,607,000
<b>01.00</b>	<b>LAND PURCHASE &amp; ACQUISITION COSTS</b>							
01.01	Land Purchase Price	54,000,000	Placeholder Allowance of \$225/GCA	174,194	225	300.00	66.4%	28.8%
01.02	Land Transfer Tax	2,672,950	Allowance	8,622	11	14.85	3.3%	1.4%
01.03	Land Closing Cost	250,000	Allowance	806	1	1.39	0.3%	0.1%
<b>01.00</b>	<b>SUB TOTAL</b>	<b>56,922,950</b>		<b>183,622</b>	<b>237</b>	<b>316</b>	<b>70.0%</b>	<b>30.3%</b>
		0		0	0	0	0	0
<b>02.00</b>	<b>Development Approvals And Municipal Costs</b>							
02.01	Rezoning Fees	232,000	Based on City of Toronto January 2022 Rates	748	0.97	1.29	0.3%	0.1%
02.02	Site Plan Approval / Planning Fees	100,000	Based on City of Toronto January 2022 Rates	323	0.42	0.56	0.1%	0.1%
02.03	Additional Density Fees	1,240,000	Allowance Per Unit	4,000	5.17	6.89	1.5%	0.7%
02.04	Building Permit Fees	550,000	Based on City of Toronto January 2022 Rates	1,774	2.29	3.06	0.7%	0.3%
02.05	Development Charges	12,660,260	Based on City of Toronto November 2021 Rates	40,840	52.75	70.33	15.6%	6.7%
02.06	Development Charges - Education	834,830	Based on City of Toronto May 2022 to April 2023 Rates	2,693	3.48	4.64	1.0%	0.4%
02.07	Misc. Municipal Fee & Charges	250,000	Allowance	806	1.04	1.39	0.3%	0.1%
02.09	Capital Contributions - Parkland Cash-in-lieu	5,400,000	Allowance of 10% of land	17,419	22.50	30.00	6.6%	2.9%
<b>02.00</b>	<b>SUB TOTAL</b>	<b>21,267,090</b>		<b>68,604</b>	<b>89</b>	<b>118</b>	<b>26.2%</b>	<b>11.3%</b>
		0		0	0	0	0	0
<b>03.00</b>	<b>CONSTRUCTION COSTS</b>	<b>81,285,000</b>		<b>262,210</b>	<b>339</b>	<b>452</b>	<b>100.0%</b>	<b>43.33%</b>
03.01	Construction Cost - Below Grade	8,970,000	Placeholder Allowance of \$195/Sqft Underground GCA	28,935	37	50	11.0%	4.8%
03.02	Construction Cost - Above Grade	68,400,000	Placeholder Allowance of \$285/Sqft of Above Ground GCA	220,645	285	380	84.1%	36.5%
03.03	Construction Cost - Site Development	0	Assume incl. above	0	0	0	0.0%	0.0%
03.06	Construction Contingency - Design	1,548,000	Allowance of 2% of Construction	4,994	6	9	1.9%	0.8%
03.07	Construction Contingency - Post Contract	2,367,000	Allowance of 3% of Construction	7,635	10	13	2.9%	1.3%
03.08	Construction Management Fee	0	Assume included in Construction Cost @ 3%	0	0.00	0.00	0.0%	0.00%
03.09	Utility Connections	300,000	Allowance	968	1.25	1.67	0.4%	0.2%
03.10	Contractor Default Insurance / Subguard Insurance	365,783	Allowance	1,180	1.52	2.03	0.5%	0.2%
03.12	Construction Escalation Contingency	0	Excluded	0	0.00	0.00	0.0%	0.0%
<b>03.00</b>	<b>SUB TOTAL</b>	<b>81,950,783</b>		<b>264,357</b>	<b>341</b>	<b>455</b>	<b>100.8%</b>	<b>43.7%</b>
		0		0	0	0	0	0
<b>04.00</b>	<b>PROFESSIONAL FEES</b>							
04.02	Architect	900,000	Allowance	2,903	3.75	5.00	1.1%	0.5%
04.03	Structural Engineer	250,000	Allowance	806	1.04	1.39	0.3%	0.1%
04.04	Mechanical Engineer	250,000	Allowance	806	1.04	1.39	0.3%	0.1%
04.05	Electrical Engineer	250,000	Allowance	806	1.04	1.39	0.3%	0.1%
04.06	Civil Engineer	150,000	Allowance	484	0.63	0.83	0.2%	0.1%
04.07	Landscape Architect	100,000	Allowance	323	0.42	0.56	0.1%	0.1%
04.08	Interior Designer	100,000	Allowance	323	0.42	0.56	0.1%	0.1%
04.09	Geotechnical Consultant	40,000	Allowance	129	0.17	0.22	0.0%	0.0%
04.10	Environmental Consultant	40,000	Allowance	129	0.17	0.22	0.0%	0.0%
04.11	Shoring Consultant	50,000	Allowance	161	0.21	0.28	0.1%	0.0%
04.12	Inspection & Testing	125,000	Allowance	403	0.52	0.69	0.2%	0.1%
04.13	Energy Consultant	25,000	Allowance	81	0.10	0.14	0.0%	0.0%
04.14	Planning Consultant	75,000	Allowance	242	0.31	0.42	0.1%	0.0%
04.15	Surveyor	100,000	Allowance	323	0.42	0.56	0.1%	0.1%
04.16	Cost Consultant	50,000	Allowance	161	0.21	0.28	0.1%	0.0%
04.17	Miscellaneous Other Consultants	100,000	Allowance	323	0.42	0.56	0.1%	0.1%
04.18	Consultant Disbursements	0	Allowance	0	0.00	0.00	0.0%	0.0%
<b>04.00</b>	<b>SUB TOTAL</b>	<b>2,605,000</b>	<b>3.2% of Construction Costs</b>	<b>8,403</b>	<b>11</b>	<b>14</b>	<b>3.2%</b>	<b>1.4%</b>
		0		0	0	0	0	0
<b>05.00</b>	<b>Development General &amp; Administration Costs</b>							
05.01	Legal Fees - General	300,000	Allowance	968	1.25	1.67	0.4%	0.2%
05.07	Legal Fees - Finance	30,000	Allowance	97	0.13	0.17	0.0%	0.0%
05.07	Accounting/ Audit	420,000	Allowance	1,355	1.75	2.33	0.5%	0.2%
05.08	Office and Admin	210,000	Allowance	677	0.88	1.17	0.3%	0.1%
05.10	Property Taxes	1,319,788	Allowance until end of construction	4,257	5.50	7.33	1.6%	0.7%
05.10	Development Management	3,605,765	3.00% of Project Costs (excl. land, finance, and tax)	11,632	15.02	20.03	4.4%	1.9%
<b>05.00</b>	<b>SUB TOTAL</b>	<b>5,885,553</b>		<b>18,986</b>	<b>25</b>	<b>33</b>	<b>7.2%</b>	<b>3.1%</b>
		0		0	0	0	0	0
<b>06.00</b>	<b>FF&amp;E</b>							
06.01	Furnishings	500,000	Allowance	1,613	2.08	2.78	0.6%	0.3%
<b>06.00</b>	<b>SUB TOTAL</b>	<b>500,000</b>		<b>1,613</b>	<b>2</b>	<b>3</b>	<b>0.6%</b>	<b>0.3%</b>
		0		0	0	0	0	0
<b>07.00</b>	<b>Marketing And Sales</b>							
07.01	Marketing and Advertising	775,000	Allowance / unit	2,500	3.23	4.31	1.0%	0.4%
07.02	Leasing Office (Salaries/ Operations)	775,000	Allowance / unit	2,500	3.23	4.31	1.0%	0.4%
07.02	Leasing - Model Suites	50,000	Allowance	161	0.21	0.28	0.1%	0.0%
07.03	Leasing Commisions	325,703	Allowance	1,051	1.36	1.81	0.4%	0.2%
<b>07.00</b>	<b>SUB TOTAL</b>	<b>1,925,703</b>		<b>6,212</b>	<b>8</b>	<b>11</b>	<b>2.4%</b>	<b>1.0%</b>
		0		0	0	0	0	0

## FRPO

Rental Building - Toronto (100% Affordable)

Toronto Ontario

Project Number 102587

Date February 18, 2022

Report No. Preliminary Development Pro forma - Toronto

## Preliminary Development Pro forma - Toronto

February 18, 2022



0

Altus Group Code	Development Cost	Altus Group Current Budget		Cost Analysis			% Analysis	
				Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
				310	240,000	180,000	81,285,000	187,607,000
<b>08.00</b>	<b>FINANCING</b>							
08.01	Loan Commitment Fee	0	Not Applicable for CMHC RCFI Financing	0	0.00	0.00	0.0%	0.0%
08.02	Standby Fee	0	Not Applicable for CMHC RCFI Financing	0	0.00	0.00	0.0%	0.0%
08.03	Lender Admin / Discharge Fees	25,000	Allowance	81	0.10	0.14	0.0%	0.0%
08.05	Project Monitor	162,000	Allowance for 36 months	523	0.68	0.90	0.2%	0.1%
08.06	Appraisal	15,000	Allowance	48	0.06	0.08	0.0%	0.0%
08.08	Letter of Credit Fees	20,000	Allowance	65	0.08	0.11	0.0%	0.0%
08.09	CMHC Application Fee	36,000	Allowance	116	0.15	0.20	0.0%	0.0%
08.10	CMHC Insurance Premiums	0	Not Applicable for CMHC RCFI Financing	0	0.00	0.00	0.0%	0.0%
08.11	PST on Insurance Premiums	274,000	Allowance	884	1.14	1.52	0.3%	0.1%
08.16	Construction Loan Interest	6,352,562	2.50% Interest Rate, Allowance including lease up period	20,492	26.47	35.29	7.8%	3.4%
<b>08.00</b>	<b>SUB TOTAL</b>	<b>6,884,562</b>	<b>Assumed CMHC RCFI Financing</b>	<b>22,208</b>	<b>29</b>	<b>38</b>	<b>8.5%</b>	<b>3.7%</b>
		0		0	0	0	0	0
<b>09.00</b>	<b>PRE OPENING &amp; INTERIM OPERATIONS</b>							
09.01	Interim Operating Costs	1,252,234	Allowance over Lease up Period (6 months)	4,039	5.22	6.96	1.5%	0.7%
<b>09.00</b>	<b>SUB TOTAL</b>	<b>1,252,234</b>		<b>4,039</b>	<b>5.22</b>	<b>6.96</b>	<b>1.5%</b>	<b>0.7%</b>
		0		0	0	0	0	0
<b>10.00</b>	<b>Operating Expenses, Taxes And Others</b>							
10.01	HST based on Self Assessed Value at Completion	7,513,785	HST on Rental Value, net of rebates (approx 5.78%)	24,238	31.31	41.74	9.2%	4.0%
10.02	HST Payable on Development Costs	11,970,303	Allowance	38,614	49.88	66.50	14.7%	6.4%
10.03	HST ITC on Development Costs	(11,970,303)	Allowance	(38,614)	(49.88)	(66.50)	-14.7%	-6.4%
<b>10.00</b>	<b>SUB TOTAL</b>	<b>7,513,785</b>		<b>24,238</b>	<b>31</b>	<b>42</b>	<b>9.2%</b>	<b>4.0%</b>
		0		0	0	0	0	0
<b>11.00</b>	<b>PROJECT CONTINGENCY</b>							
11.01	PROJECT CONTINGENCY	2,900,000	6.2% of total budget (excl. Land and Construction Cost)	9,355	12.08	16.11	3.6%	1.5%
<b>11.00</b>	<b>SUB TOTAL</b>	<b>2,900,000</b>		<b>9,355</b>	<b>12</b>	<b>16</b>	<b>3.6%</b>	<b>1.5%</b>
		0		0	0	0	0	0
	<b>GROSS PROJECT BUDGET</b>	<b>189,607,659</b>		<b>611,638</b>	<b>790</b>	<b>1,053</b>	<b>233%</b>	<b>101%</b>
	Checks	0						
<b>12.00</b>	<b>OTHER INCOME</b>							
12.04	Interim Operating Income	(2,002,215)	Allowance over Lease up Period (6 months)	(6,459)	(8.34)	(11.12)	-2.5%	-1.1%
<b>12.00</b>	<b>SUB TOTAL</b>	<b>(2,002,215)</b>		<b>(6,459)</b>	<b>(8)</b>	<b>(11)</b>	<b>-2.5%</b>	<b>-1.1%</b>
	<b>NET PROJECT BUDGET</b>	<b>187,605,444</b>		<b>605,179</b>	<b>782</b>	<b>1,042</b>	<b>231%</b>	<b>100%</b>



Project 102587  
Date 18-Feb-22

**FRPO**  
**Rental Building - Toronto (100% Affordable)**

**NOI Summary at End of Lease Up Period**  
**CMHC Financing**

				<b>Annual</b>
<i>Affordable Rent for Toronto (30% of Avg. Household Income)</i>				
				<u>2,229.00</u> per month
<b>Residential Revenue</b>				
Studio Units	65	Units at	1,620.00 per month	1,263,600
1 Bed Units (Affordable)	165	Units at	2,229.00 per month	4,413,420
2 Bed Units (Affordable)	45	Units at	2,229.00 per month	1,203,660
3 Bed Units (Affordable)	35	Units at	2,229.00 per month	936,180
<b>Gross Residential Revenue</b>	<u>310</u>	Units at	<u>2,101.31</u> Average per month	<b>7,816,860</b>
Less: Vacancy Allowance and Operating Expenses				@ 40.00% (3,126,744)
				0
				<b>Net Operating Income</b>
				<b>4,690,116</b>
<b>Parking Revenue</b>				
	100	stalls at	160.00 per stall / month	192,000
Less: Vacancy Allowance and Operating Expenses				@ 2.00% (3,840)
				<b>Net Operating Income</b>
				<b>188,160</b>
				<b>TOTAL STABILIZED NOI</b>
				<b>4,878,276</b>
<b>Value at Stabilization</b>				
	@	3.75% Cap Rate (Base Scenario)	<b>130,087,360</b>	Value Added (Lost) <b>(57,518,084)</b>
	@	3.50% Cap Rate	<b>139,379,314</b>	Value Added (Lost) <b>(48,226,130)</b>
	@	4.00% Cap Rate	<b>121,956,900</b>	Value Added (Lost) <b>(65,648,544)</b>

## **Appendix C: Toronto 10 % Affordable Model**

Altus Group Code	Development Cost	Altus Group Current Budget	Cost Analysis			% Analysis	
			Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
			310	240,000	180,000	81,285,000	197,045,000

## EXECUTIVE SUMMARY

01.00000	Land Purchase & Acquisition Costs	56,923,000	183,623	237.18	316.24	70%	29%
02.00000	Development Approvals And Municipal Costs	21,267,000	68,603	88.61	118.15	26%	11%
03.00000	Construction Costs	81,951,000	264,358	341.46	455.28	101%	42%
04.00000	Professional Fees	2,605,000	8,403	10.85	14.47	3%	1%
05.00000	Development General & Administration Costs	6,040,000	19,484	25.17	33.56	7%	3%
06.00000	FF&E	500,000	1,613	2.08	2.78	1%	0%
07.00000	Marketing And Sales	1,969,000	6,352	8.20	10.94	2%	1%
08.00000	Financing	11,026,000	35,568	45.94	61.26	14%	6%
09.00000	Pre Opening & Interim Operations	1,241,000	4,003	5.17	6.89	2%	1%
10.00000	Operating Expenses, Taxes And Others	12,891,000	41,584	53.71	71.62	16%	7%
11.00000	Project Contingency	2,900,000	9,355	12.08	16.11	4%	1%
<b>NET PROJECT BUDGET</b>		<b>197,045,000</b>	<b>635,629</b>	<b>821</b>	<b>1,095</b>	<b>242%</b>	<b>100%</b>
Checks		0					

CONTINGENCIES	Current	
Construction Contingency - Design	1,548,000	2% of Construction Hard Cost
Construction Contingency - Post Contract	2,367,000	3% of Construction Hard Cost
Construction Escalation Contingency	0	0% of Construction Hard Cost
Demolition / Abatement / Remediation	0	0% of Construction Hard Cost
Development Contingency	2,900,000	5% of Soft Costs
<b>TOTAL CONTINGENCIES</b>	<b>3,915,000</b>	<b>2%</b>

## LEGEND

GFA	Gross Floor Area - Above Grade Area (Zoning Area)
GCA	Gross Construction Area - Above Grade Construction Area
TPA	Total Parking Area - Below Grade Area
TCA	Total Construction Area (GCA + TPA)
NSA	Net Saleable Area (Residential)
NLA	Net Leasable Area

## YIELD

Net Development Yield	<b>3.26%</b>
Net Development Yield (excl. Land)	<b>4.49%</b>
Average Residential Rent / Unit	<b>2,626</b>
Average Residential Rent / SF	<b>4.10</b>

## CAPITAL STACK ASSUMPTIONS

Equity	69,000,000	35%
Debt	128,044,966	65%
Interim Income	34	0%
<b>Total</b>	<b>197,045,000</b>	



Report No.	Altus Group Code	Development Cost	Altus Group		Cost Analysis			% Analysis	
			10% Affordable	Current Budget	Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
01.00					310	240,000	180,000	81,285,000	197,045.00
01.01	LAND PURCHASE & ACQUISITION COSTS								
01.01	Land Purchase Price	54,000,000	Placeholder	Allowance of \$225/GCA	174,194	225.00	300.00	66.4%	27.4%
01.02	Land Transfer Tax	2,672,950	Allowance		8,622	11.14	14.85	3.3%	1.4%
01.03	Land Closing Cost	250,000	Allowance		806	1.04	1.39	0.3%	0.1%
01.00	SUB TOTAL	56,922,950			183,622	237	316	70.0%	28.9%
02.00	Development Approvals And Municipal Costs							0	0
02.01	Reasoning Fees	232,000	Based on City of Toronto January 2022 Rates		748	0.97	1.29	0.3%	0.1%
02.02	Site Plan Approval / Planning Fees	100,000	Based on City of Toronto January 2022 Rates		323	0.42	0.56	0.1%	0.0%
02.03	Additional Density Fees	1,240,000	Allowance Per Unit		4,000	5.17	6.89	1.5%	0.6%
02.04	Building Permit Fees	550,000	Based on City of Toronto January 2022 Rates		1,774	2.29	3.06	0.7%	0.3%
02.05	Development Charges	12,660,260	Based on City of Toronto November 2021 Rates		40,840	52.75	70.33	15.6%	6.4%
02.06	Development Charges - Education	804,830	Based on City of Toronto May 2022 to April 2023 Rates		2,693	3.43	4.64	1.0%	0.4%
02.07	Misc. Municipal Fee & Charges	250,000	Allowance		806	1.04	1.39	0.3%	0.1%
02.09	Capital Contributions - Parkland Cash-in-lieu	5,400,000	Allowance of 10% of land		17,419	22.50	30.00	6.6%	2.7%
02.00	SUB TOTAL	21,267,090			68,604	89	118	26.2%	10.8%
03.00	CONSTRUCTION COSTS	0			0	0	0	0	0
03.01	Construction Cost - Below Grade	81,285,000	Placeholder	Allowance of \$195/Sqft Underground GCA	262,210	339	452	100.0%	41.29%
03.02	Construction Cost - Above Grade	68,400,000	Placeholder	Allowance of \$285/Sqft of Above Ground GCA	22,635	37	50	11.0%	4.6%
03.03	Construction Cost - Site Development	0	Assume incl. above		0	0	0	0.0%	0.0%
03.06	Construction Contingency - Design	1,548,000	Allowance of 2% of Construction		4,994	6	9	1.9%	0.8%
03.07	Construction Contingency - Post Contract	2,367,000	Allowance of 3% of Construction		7,638	10	13	2.9%	1.2%
03.08	Construction Management Fee	0	Assume included in Construction Cost @ 3%		0	0.00	0.00	0.0%	0.00%
03.09	Utility Connections	300,000	Allowance		966	1.25	1.67	0.4%	0.2%
03.10	Contractor Default Insurance / Subguard Insurance	365,783	Allowance		1,180	1.52	2.03	0.5%	0.2%
03.12	Construction Escalation Contingency	0	Excluded		0	0.00	0.00	0.0%	0.0%
03.00	SUB TOTAL	81,950,783			264,357	341	455	100.8%	41.6%
04.00	PROFESSIONAL FEES				0	0	0	0	0
04.02	Architect	900,000	Allowance		2,903	3.75	5.00	1.1%	0.5%
04.03	Structural Engineer	250,000	Allowance		806	1.04	1.39	0.3%	0.1%
04.04	Mechanical Engineer	250,000	Allowance		806	1.04	1.39	0.3%	0.1%
04.05	Electrical Engineer	250,000	Allowance		806	1.04	1.39	0.3%	0.1%
04.06	Civil Engineer	150,000	Allowance		484	0.63	0.83	0.2%	0.1%
04.07	Landscape Architect	100,000	Allowance		323	0.42	0.56	0.1%	0.1%
04.08	Interior Designer	100,000	Allowance		323	0.42	0.56	0.1%	0.1%
04.09	Geotechnical Consultant	40,000	Allowance		129	0.17	0.22	0.0%	0.0%
04.10	Environmental Consultant	40,000	Allowance		129	0.17	0.22	0.0%	0.0%
04.11	Shoring Consultant	50,000	Allowance		161	0.21	0.28	0.1%	0.0%
04.12	Inspection & Testing	125,000	Allowance		403	0.52	0.69	0.2%	0.1%
04.13	Energy Consultant	25,000	Allowance		81	0.10	0.14	0.0%	0.0%
04.14	Planning Consultant	75,000	Allowance		242	0.31	0.42	0.1%	0.0%
04.15	Surveyor	100,000	Allowance		323	0.42	0.56	0.1%	0.1%
04.16	Cost Consultant	50,000	Allowance		161	0.21	0.28	0.1%	0.0%
04.17	Miscellaneous Other Consultants	100,000	Allowance		323	0.42	0.56	0.1%	0.1%
04.00	SUB TOTAL	2,605,000	3.2% of Construction Costs		8,403	11	14	3.2%	1.3%
05.00	Development General & Administration Costs				0	0	0	0	0
05.01	Legal Fees - General	300,000	Allowance		968	1.25	1.67	0.4%	0.2%
05.02	Legal Fees - Finance	30,000	Allowance		97	0.13	0.17	0.0%	0.0%
05.07	Accounting/Audit	420,000	Allowance		1,355	1.75	2.33	0.5%	0.2%
05.08	Office and Admin	210,000	Allowance		677	0.88	1.17	0.3%	0.1%
05.10	Property Taxes	1,319,788	Allowance until end of construction		4,257	5.50	7.33	1.6%	0.7%
05.10	Development Management	3,750,081	3.00% of Project Costs (excl. land, finance, and tax)		12,129	15.67	20.89	4.6%	1.9%
05.00	SUB TOTAL	6,039,869			19,463	25	34	7.4%	3.1%
06.00	FF&E				0	0	0	0	0
06.01	Furnishings	500,000	Allowance		1,613	2.08	2.78	0.6%	0.3%
06.00	SUB TOTAL	500,000			1,613	2	3	0.6%	0.3%
07.00	Marketing And Sales				0	0	0	0	0
07.01	Marketing and Advertising	775,000	Allowance / unit		2,500	3.23	4.31	1.0%	0.4%
07.02	Leasing Office (Salaries/ Operations)	775,000	Allowance / unit		2,500	3.23	4.31	1.0%	0.4%
07.02	Leasing - Model Suites	50,000	Allowance		161	0.21	0.28	0.1%	0.0%
07.03	Leasing Commissions	368,950	Allowance		1,190	1.54	2.05	0.5%	0.2%
07.00	SUB TOTAL	1,989,950			6,351	8	11	2.4%	1.0%
		0			0	0	0	0	0

## FRPO

Rental Building - Toronto (90% Market, 10% Affordable)

Toronto Ontario

Project Number 102587

Date February 17, 2022

Report No. Preliminary Development Pro forma - Toronto

## Preliminary Development Pro forma - Toronto

February 17, 2022



Altus Group Code	Development Cost	10% affordable Altus Group Current Budget		Cost Analysis			% Analysis		
				Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total	
				310	240,000	180,000	81,285,000	197,045,000	
08.00	<b>FINANCING</b>								
08.01	Loan Commitment Fee	685,000	Allowance of 50bps of Loan amount	2,210	2.85	3.81	0.8%	0.3%	
08.02	Standby Fee	0	Assumed not applicable	0	0.00	0.00	0.0%	0.0%	
08.03	Lender Admin / Discharge Fees	25,000	Allowance	81	0.10	0.14	0.0%	0.0%	
08.05	Project Monitor	162,000	Allowance for 36 months	523	0.68	0.90	0.2%	0.1%	
08.06	Appraisal	15,000	Allowance	48	0.06	0.08	0.0%	0.0%	
08.08	Letter of Credit Fees	20,000	Allowance	65	0.08	0.11	0.0%	0.0%	
08.09	CMHC Application Fee	36,000	Allowance	116	0.15	0.20	0.0%	0.0%	
08.10	CMHC Insurance Premiums	3,425,000	Allowance of 2.5% of Loan amount	11,048	14.27	19.03	4.2%	1.7%	
08.11	PST on Insurance Premiums	274,000	Allowance	884	1.14	1.52	0.3%	0.1%	
08.16	Construction Loan Interest	6,383,888	2.50% Interest Rate, Allowance including lease up period	20,593	26.60	35.47	7.9%	3.2%	
08.00	<b>SUB TOTAL</b>	<b>11,025,888</b>	<b>Assumed CMHC Insured Loan</b>	<b>35,567</b>	<b>46</b>	<b>61</b>	<b>13.6%</b>	<b>5.6%</b>	
		0		0	0	0	0	0	
09.00	<b>PRE OPENING &amp; INTERIM OPERATIONS</b>								
09.01	Interim Operating Costs	1,241,400	Allowance over Lease up Period (6 months)	4,005	5.17	6.90	1.5%	0.6%	
09.00	<b>SUB TOTAL</b>	<b>1,241,400</b>		<b>4,005</b>	<b>5.17</b>	<b>6.90</b>	<b>1.5%</b>	<b>0.6%</b>	
		0		0	0	0	0	0	
10.00	<b>Operating Expenses, Taxes And Others</b>								
10.01	HST based on Self Assessed Value at Completion	13,127,526	HST on Rental Value, net of rebates (approx 7.66%)	42,347	54.70	72.93	16.1%	6.7%	
10.02	HST Payable on Development Costs	12,295,905	Allowance	39,664	51.23	68.31	15.1%	6.2%	
10.03	HST ITC on Development Costs	(12,532,695)	Allowance	(40,428)	(52.22)	(69.63)	-15.4%	-6.4%	
10.00	<b>SUB TOTAL</b>	<b>12,890,736</b>		<b>41,583</b>	<b>54</b>	<b>72</b>	<b>15.9%</b>	<b>6.5%</b>	
		0		0	0	0	0	0	
11.00	<b>PROJECT CONTINGENCY</b>								
11.01	PROJECT CONTINGENCY	2,900,000	5.2% of total budget (excl. Land and Construction Cost)	9,355	12.08	16.11	3.6%	1.5%	
11.00	<b>SUB TOTAL</b>	<b>2,900,000</b>		<b>9,355</b>	<b>12</b>	<b>16</b>	<b>3.6%</b>	<b>1.5%</b>	
		0		0	0	0	0	0	
	<b>GROSS PROJECT BUDGET</b>	<b>199,312,666</b>		<b>642,944</b>	<b>830</b>	<b>1,107</b>	<b>245%</b>	<b>101%</b>	
	Checks	0							
12.00	<b>OTHER INCOME</b>								
12.04	Interim Operating Income	(2,267,700)	Allowance over Lease up Period (6 months)	(7,315)	(9.45)	(12.60)	-2.8%	-1.2%	
12.00	<b>SUB TOTAL</b>	<b>(2,267,700)</b>		<b>(7,315)</b>	<b>(9)</b>	<b>(13)</b>	<b>-2.8%</b>	<b>-1.2%</b>	
	<b>NET PROJECT BUDGET</b>	<b>197,044,966</b>		<b>635,629</b>	<b>821</b>	<b>1,095</b>	<b>242%</b>	<b>100%</b>	

**FRPO**  
**Rental Building - Toronto (90% Market, 10% Affordable)**

**NOI Summary at End of Lease Up Period**  
**CMHC Financing**

				<i>Annual</i>
<b>Residential Revenue (Market) - 90%</b>				
Studio Units	59	Units at	1,800.00 per month	1,274,400
1 Bed Units	149	Units at	2,500.00 per month	4,470,000
2 Bed Units	41	Units at	3,200.00 per month	1,574,400
3 Bed Units	32	Units at	4,000.00 per month	1,536,000
<b>Gross Residential Revenue</b>	281	Units at	2,625.98 Average per month	<b>8,854,800</b>
Less: Vacancy Allowance and Operating Expenses			@ 35.00%	(3,099,180)
<b>Net Operating Income</b>				<b>5,755,620</b>
<b>Parking Revenue</b>				
	90	stalls at	200.00 per stall / month	216,000
Less: Vacancy Allowance and Operating Expenses			@ 2.00%	(4,320)
<b>Net Operating Income</b>				<b>211,680</b>
<u><i>Affordable Rent for Toronto (30% of Avg. Household Income)</i></u> <u><i>2,229.00 per month</i></u>				
<b>Residential Revenue (Affordable) - 10%</b>				
Studio Units (Affordable)	6	Units at	1,620.00 per month	116,640
1 Bed Units (Affordable)	16	Units at	2,229.00 per month	427,968
2 Bed Units (Affordable)	4	Units at	2,229.00 per month	106,992
3 Bed Units (Affordable)	3	Units at	2,229.00 per month	80,244
<b>Gross Residential Revenue (Affordable)</b>	29	Units at	2,103.00 Average per month	<b>731,844</b>
Less: Vacancy Allowance and Operating Expenses			@ 40.00%	(292,738)
<b>Net Operating Income</b>				<b>439,106</b>
<b>Parking Revenue (Affordable)</b>				
	10	stalls at	160.00 per stall / month	19,200
Less: Vacancy Allowance and Operating Expenses			@ 2.00%	(384)
<b>Net Operating Income</b>				<b>18,816</b>
<b>TOTAL STABILIZED NOI</b>				<b>6,425,222</b>
<b>Value at Stabilization</b>	@ 3.75%	Cap Rate (Base Scenario)	<b>171,339,264</b>	Value Added (Lost) <b>(25,705,702)</b>
	@ 3.50%	Cap Rate	<b>183,577,783</b>	Value Added (Lost) <b>(13,467,183)</b>
	@ 4.00%	Cap Rate	<b>160,630,560</b>	Value Added (Lost) <b>(36,414,406)</b>

## **Appendix D: Toronto Market / Affordable Models Comparison**

Toronto Ontario  
 Project Number 102587  
 Date February 18, 2022  
 Report No. Preliminary Development Pro forma - Toronto

## Toronto Models Budget Comparison

February 18, 2022



Altus Group Code	Development Cost	Altus Group Base Market	Altus Group 100% Affordable	Altus Group 90 Market 10% Affordable
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## EXECUTIVE SUMMARY

01.00000	Land Purchase & Acquisition Costs	56,923,000	56,923,000	56,923,000
02.00000	Development Approvals And Municipal Costs	21,267,000	21,267,000	21,267,000
03.00000	Construction Costs	81,951,000	81,951,000	81,951,000
04.00000	Professional Fees	2,605,000	2,605,000	2,605,000
05.00000	Development General & Administration Costs	6,059,000	5,879,000	6,040,000
06.00000	FF&E	500,000	500,000	500,000
07.00000	Marketing And Sales	2,007,000	1,926,000	1,969,000
08.00000	Financing	11,145,000	6,864,000	11,026,000
09.00000	Pre Opening & Interim Operations	1,369,000	1,252,000	1,241,000
10.00000	Operating Expenses, Taxes And Others	13,604,000	7,514,000	12,891,000
11.00000	Project Contingency	2,900,000	2,900,000	2,900,000

**NET PROJECT BUDGET****197,830,000****187,579,000****197,045,000**

## CONTINGENCIES

	Current	Current	Current
Construction Contingency - Design	1,548,000	1,548,000	1,548,000
Construction Contingency - Post Contract	2,367,000	2,367,000	2,367,000
Construction Escalation Contingency	0	0	0
Demolition / Abatement / Remediation	0	0	0
Development Contingency	2,900,000	2,900,000	2,900,000
<b>TOTAL CONTINGENCIES</b>	<b>3,915,000</b>	<b>3,915,000</b>	<b>3,915,000</b>

Altus Group Code	Development Cost	Altus Group Base Market	Altus Group 100% Affordable	Altus Group 90 Market 10% Affordable
<b>01.00</b>	<b>LAND PURCHASE &amp; ACQUISITION COSTS</b>			
01.01	Land Purchase Price	54,000,000	54,000,000	54,000,000
01.02	Land Transfer Tax	2,672,950	2,672,950	2,672,950
01.03	Land Closing Cost	250,000	250,000	250,000
<b>01.00</b>	<b>SUB TOTAL</b>	<b>56,922,950</b>	<b>56,922,950</b>	<b>56,922,950</b>
		0	0	0
<b>02.00</b>	<b>Development Approvals And Municipal Costs</b>			
02.01	Rezoning Fees	232,000	232,000	232,000
02.02	Site Plan Approval / Planning Fees	100,000	100,000	100,000
02.03	Additional Density Fees	1,240,000	1,240,000	1,240,000
02.04	Building Permit Fees	550,000	550,000	550,000
02.05	Development Charges	12,660,260	12,660,260	12,660,260
02.06	Development Charges - Education	834,830	834,830	834,830
02.07	Misc. Municipal Fee & Charges	250,000	250,000	250,000
02.09	Capital Contributions - Parkland Cash-in-lieu	5,400,000	5,400,000	5,400,000
<b>02.00</b>	<b>SUB TOTAL</b>	<b>21,267,090</b>	<b>21,267,090</b>	<b>21,267,090</b>
		0	0	0
<b>03.00</b>	<b>CONSTRUCTION COSTS</b>	<b>81,285,000</b>	<b>81,285,000</b>	<b>81,285,000</b>
03.01	Construction Cost - Below Grade	8,970,000	8,970,000	8,970,000
03.02	Construction Cost - Above Grade	68,400,000	68,400,000	68,400,000
03.03	Construction Cost - Site Development	0	0	0
03.06	Construction Contingency - Design	1,548,000	1,548,000	1,548,000
03.07	Construction Contingency - Post Contract	2,367,000	2,367,000	2,367,000
03.08	Construction Management Fee	0	0	0
03.09	Utility Connections	300,000	300,000	300,000
03.10	Contractor Default Insurance / Subguard Insurance	365,783	365,783	365,783
03.12	Construction Escalation Contingency	0	0	0
<b>03.00</b>	<b>SUB TOTAL</b>	<b>81,950,783</b>	<b>81,950,783</b>	<b>81,950,783</b>
		0	0	0
<b>04.00</b>	<b>PROFESSIONAL FEES</b>			
04.02	Architect	900,000	900,000	900,000
04.03	Structural Engineer	250,000	250,000	250,000
04.04	Mechanical Engineer	250,000	250,000	250,000
04.05	Electrical Engineer	250,000	250,000	250,000
04.06	Civil Engineer	150,000	150,000	150,000
04.07	Landscape Architect	100,000	100,000	100,000
04.08	Interior Designer	100,000	100,000	100,000
04.09	Geotechnical Consultant	40,000	40,000	40,000
04.10	Environmental Consultant	40,000	40,000	40,000
04.11	Shoring Consultant	50,000	50,000	50,000
04.12	Inspection & Testing	125,000	125,000	125,000
04.13	Energy Consultant	25,000	25,000	25,000
04.14	Planning Consultant	75,000	75,000	75,000
04.15	Surveyor	100,000	100,000	100,000
04.16	Cost Consultant	50,000	50,000	50,000
04.17	Miscellaneous Other Consultants	100,000	100,000	100,000
<b>04.00</b>	<b>SUB TOTAL</b>	<b>2,605,000</b>	<b>2,605,000</b>	<b>2,605,000</b>
		0	0	0
<b>05.00</b>	<b>Development General &amp; Administration Costs</b>			
05.01	Legal Fees - General	300,000	300,000	300,000
05.07	Legal Fees - Finance	30,000	30,000	30,000
05.07	Accounting/ Audit	420,000	420,000	420,000
05.08	Office and Admin	210,000	210,000	210,000
05.10	Property Taxes	1,319,788	1,319,788	1,319,788
05.10	Development Management	3,779,442	3,599,012	3,760,081
<b>05.00</b>	<b>SUB TOTAL</b>	<b>6,059,230</b>	<b>5,878,800</b>	<b>6,039,869</b>
		0	0	0
<b>06.00</b>	<b>FF&amp;E</b>			
06.01	Furnishings	500,000	500,000	500,000
<b>06.00</b>	<b>SUB TOTAL</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
		0	0	0
<b>07.00</b>	<b>Marketing And Sales</b>			
07.01	Marketing and Advertising	775,000	775,000	775,000
07.02	Leasing Office (Salaries/ Operations)	775,000	775,000	775,000
07.02	Leasing - Model Suites	50,000	50,000	50,000
07.03	Leasing Commissions	406,750	325,703	368,950
<b>07.00</b>	<b>SUB TOTAL</b>	<b>2,006,750</b>	<b>1,925,703</b>	<b>1,968,950</b>
		0	0	0

Toronto Ontario  
 Project Number 102587  
 Date February 18, 2022  
 Report No. Preliminary Development Pro forma - Toronto

## Toronto Models Budget Comparison

February 18, 2022



Altus Group Code	Development Cost	Altus Group Base Market	Altus Group 100% Affordable	Altus Group 90 Market 10% Affordable
08.00	<b>FINANCING</b>			
08.01	Loan Commitment Fee	685,000	0	685,000
08.02	Standby Fee	0	0	0
08.03	Lender Admin / Discharge Fees	25,000	25,000	25,000
08.05	Project Monitor	162,000	162,000	162,000
08.06	Appraisal	15,000	15,000	15,000
08.08	Letter of Credit Fees	20,000	20,000	20,000
08.09	CMHC Application Fee	36,000	36,000	36,000
08.10	CMHC Insurance Premiums	3,425,000	0	3,425,000
08.11	PST on Insurance Premiums	274,000	274,000	274,000
08.16	Construction Loan Interest	6,503,111	6,331,642	6,383,888
08.00	<b>SUB TOTAL</b>	<b>11,145,111</b>	<b>6,863,642</b>	<b>11,025,888</b>
		0	0	0
09.00	<b>PRE OPENING &amp; INTERIM OPERATIONS</b>			
09.01	Interim Operating Costs	1,368,600	1,252,234	1,241,400
09.00	<b>SUB TOTAL</b>	<b>1,368,600</b>	<b>1,252,234</b>	<b>1,241,400</b>
		0	1,252,234	0
10.00	<b>Operating Expenses, Taxes And Others</b>			
10.01	HST based on Self Assessed Value at Completion	13,603,894	7,513,785	13,127,526
10.02	HST Payable on Development Costs	12,537,698	11,746,684	12,295,905
10.03	HST ITC on Development Costs	(12,537,717)	(11,746,684)	(12,532,695)
10.00	<b>SUB TOTAL</b>	<b>13,603,875</b>	<b>7,513,785</b>	<b>12,890,736</b>
		0	0	0
11.00	<b>PROJECT CONTINGENCY</b>			
11.01	PROJECT CONTINGENCY	2,900,000	2,900,000	2,900,000
11.00	<b>SUB TOTAL</b>	<b>2,900,000</b>	<b>2,900,000</b>	<b>2,900,000</b>
	<b>GROSS PROJECT BUDGET</b>	<b>200,329,387</b>	<b>189,579,987</b>	<b>199,312,666</b>
	Checks	0	0	0
12.00	<b>OTHER INCOME</b>			
12.04	Interim Operating Income	(2,500,500)	(2,002,215)	(2,267,700)
12.00	<b>SUB TOTAL</b>	<b>(2,500,500)</b>	<b>(2,002,215)</b>	<b>(2,267,700)</b>
	<b>NET PROJECT BUDGET</b>	<b>197,828,887</b>	<b>187,577,772</b>	<b>197,044,966</b>

## **Appendix E: Toronto Market: Sensitivity Analysis**



**Toronto Market Sensitivity Analysis**

February 18, 2022



Altus Group Code	Development Cost	100% Market Base Case Budget	Land at Zero Value	Land at 50% Value	No Municipal Costs	No PST Costs	20% Density Increase
<b>EXECUTIVE SUMMARY</b>							
01.00000	Land Purchase & Acquisition Costs	56,923,000	250,000	29,923,000	56,923,000	56,923,000	56,923,000
02.00000	Development Approvals And Municipal Costs	21,267,000	21,267,000	21,267,000	0	21,267,000	24,346,000
03.00000	Construction Costs	81,951,000	81,951,000	81,951,000	81,951,000	81,951,000	98,280,000
04.00000	Professional Fees	2,605,000	2,605,000	2,605,000	2,605,000	2,605,000	2,605,000
05.00000	Development General & Administration Costs	6,059,000	6,059,000	6,059,000	5,421,000	5,894,000	6,728,000
06.00000	FF&E	500,000	500,000	500,000	500,000	500,000	500,000
07.00000	Marketing And Sales	2,007,000	2,007,000	2,007,000	2,007,000	2,007,000	2,398,000
08.00000	Financing	11,145,000	6,389,000	8,588,000	8,981,000	10,734,000	11,827,000
09.00000	Pre Opening & Interim Operations	1,369,000	1,369,000	1,369,000	1,369,000	1,369,000	1,642,000
10.00000	Operating Expenses, Taxes And Others	13,604,000	13,604,000	13,604,000	13,604,000	8,094,000	16,325,000
11.00000	Project Contingency	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
<b>GROSS PROJECT BUDGET</b>		<b>200,330,000</b>	<b>138,901,000</b>	<b>170,773,000</b>	<b>176,261,000</b>	<b>194,244,000</b>	<b>224,474,000</b>
Checks							
12.00000	Other Income	(2,500,500)	(2,500,500)	(2,500,500)	(2,500,500)	(2,500,500)	(3,000,600)
<b>NET PROJECT BUDGET</b>		<b>197,830,000</b>	<b>136,401,000</b>	<b>168,273,000</b>	<b>173,761,000</b>	<b>191,744,000</b>	<b>221,473,000</b>
Checks							
<b>Cost (Savings) / Increases on Budget from Base Case</b>			<b>(61,429,000)</b>	<b>(29,557,000)</b>	<b>(24,069,000)</b>	<b>(6,086,000)</b>	<b>23,643,000</b>
<b>NOI at Stabilization</b>		<b>6,580,500</b>	<b>6,580,500</b>	<b>6,580,500</b>	<b>6,580,500</b>	<b>6,580,500</b>	<b>7,896,600</b>
<b>Value at Stabilization</b>		Cap Rate					
		3.50%	188,014,286	188,014,286	188,014,286	188,014,286	225,617,143
Base Case		3.75%	175,480,000	175,480,000	175,480,000	175,480,000	210,576,000
		4.00%	164,512,500	164,512,500	164,512,500	164,512,500	197,415,000
<b>Development Yield</b>		<b>3.33%</b>	<b>4.82%</b>	<b>3.91%</b>	<b>3.79%</b>	<b>3.44%</b>	<b>3.57%</b>

## Toronto Market Sensitivity Analysis

February 18, 2022



Altus Group Code	Development Cost	100% Market Base Case Budget	Land at Zero Value	Land at 50% Value	No Municipal Costs	No PST Costs	20% Density Increase
<b>01.00</b>	<b>LAND PURCHASE &amp; ACQUISITION COSTS</b>						
01.01	Land Purchase Price	54,000,000	0	27,000,000	54,000,000	54,000,000	54,000,000
01.02	Land Transfer Tax	2,672,950	0	2,672,950	2,672,950	2,672,950	2,672,950
01.03	Land Closing Cost	250,000	250,000	250,000	250,000	250,000	250,000
<b>01.00</b>	<b>SUB TOTAL</b>	<b>56,922,950</b>	<b>250,000</b>	<b>29,922,950</b>	<b>56,922,950</b>	<b>56,922,950</b>	<b>56,922,950</b>
		0	0	0	0	0	0
<b>02.00</b>	<b>Development Approvals And Municipal Costs</b>						
02.01	Rezoning Fees	232,000	232,000	232,000	0	232,000	269,000
02.02	Site Plan Approval / Planning Fees	100,000	100,000	100,000	0	100,000	115,000
02.03	Additional Density Fees	1,240,000	1,240,000	1,240,000	0	1,240,000	1,488,000
02.04	Building Permit Fees	550,000	550,000	550,000	0	550,000	630,000
02.05	Development Charges	12,660,260	12,660,260	12,660,260	0	12,660,260	15,192,312
02.06	Development Charges - Education	834,830	834,830	834,830	0	834,830	1,001,796
02.07	Misc. Municipal Fee & Charges	250,000	250,000	250,000	0	250,000	250,000
02.09	Capital Contributions - Parkland Cash-in-lieu	5,400,000	5,400,000	5,400,000	0	5,400,000	5,400,000
<b>02.00</b>	<b>SUB TOTAL</b>	<b>21,267,090</b>	<b>21,267,090</b>	<b>21,267,090</b>	<b>0</b>	<b>21,267,090</b>	<b>24,346,108</b>
		0	0	0	0	0	0
<b>03.00</b>	<b>CONSTRUCTION COSTS</b>	<b>81,285,000</b>	<b>81,285,000</b>	<b>81,285,000</b>	<b>81,285,000</b>	<b>81,285,000</b>	<b>97,541,000</b>
03.01	Construction Cost - Below Grade	8,970,000	8,970,000	8,970,000	8,970,000	8,970,000	10,764,000
03.02	Construction Cost - Above Grade	68,400,000	68,400,000	68,400,000	68,400,000	68,400,000	82,080,000
03.03	Construction Cost - Site Development	0	0	0	0	0	0
03.06	Construction Contingency - Design	1,548,000	1,548,000	1,548,000	1,548,000	1,548,000	1,856,000
03.07	Construction Contingency - Post Contract	2,367,000	2,367,000	2,367,000	2,367,000	2,367,000	2,841,000
03.08	Construction Management Fee	0	0	0	0	0	0
03.09	Utility Connections	300,000	300,000	300,000	300,000	300,000	300,000
03.10	Contractor Default Insurance / Subguard Insurance	365,783	365,783	365,783	365,783	365,783	438,935
03.12	Construction Escalation Contingency	0	0	0	0	0	0
<b>03.00</b>	<b>SUB TOTAL</b>	<b>81,950,783</b>	<b>81,950,783</b>	<b>81,950,783</b>	<b>81,950,783</b>	<b>81,950,783</b>	<b>98,279,935</b>
		0	0	0	0	0	0
<b>04.00</b>	<b>PROFESSIONAL FEES</b>						
04.02	Architect	900,000	900,000	900,000	900,000	900,000	900,000
04.03	Structural Engineer	250,000	250,000	250,000	250,000	250,000	250,000
04.04	Mechanical Engineer	250,000	250,000	250,000	250,000	250,000	250,000
04.05	Electrical Engineer	250,000	250,000	250,000	250,000	250,000	250,000
04.06	Civil Engineer	150,000	150,000	150,000	150,000	150,000	150,000
04.07	Landscape Architect	100,000	100,000	100,000	100,000	100,000	100,000
04.08	Interior Designer	100,000	100,000	100,000	100,000	100,000	100,000
04.09	Geotechnical Consultant	40,000	40,000	40,000	40,000	40,000	40,000
04.10	Environmental Consultant	40,000	40,000	40,000	40,000	40,000	40,000
04.11	Shoring Consultant	50,000	50,000	50,000	50,000	50,000	50,000
04.12	Inspection & Testing	125,000	125,000	125,000	125,000	125,000	125,000
04.13	Energy Consultant	25,000	25,000	25,000	25,000	25,000	25,000
04.14	Planning Consultant	75,000	75,000	75,000	75,000	75,000	75,000
04.15	Surveyor	100,000	100,000	100,000	100,000	100,000	100,000
04.16	Cost Consultant	50,000	50,000	50,000	50,000	50,000	50,000
04.17	Miscellaneous Other Consultants	100,000	100,000	100,000	100,000	100,000	100,000
<b>04.00</b>	<b>SUB TOTAL</b>	<b>2,605,000</b>	<b>2,605,000</b>	<b>2,605,000</b>	<b>2,605,000</b>	<b>2,605,000</b>	<b>2,605,000</b>
		0	0	0	0	0	0
<b>05.00</b>	<b>Development General &amp; Administration Costs</b>						
05.01	Legal Fees - General	300,000	300,000	300,000	300,000	300,000	300,000
05.07	Legal Fees - Finance	30,000	30,000	30,000	30,000	30,000	30,000
05.07	Accounting/ Audit	420,000	420,000	420,000	420,000	420,000	420,000
05.08	Office and Admin	210,000	210,000	210,000	210,000	210,000	210,000
05.10	Property Taxes	1,319,788	1,319,788	1,319,788	1,319,788	1,319,788	1,319,788
05.10	Development Management	3,779,442	3,779,442	3,779,442	3,141,429	3,614,139	4,448,260
<b>05.00</b>	<b>SUB TOTAL</b>	<b>6,059,230</b>	<b>6,059,230</b>	<b>6,059,230</b>	<b>5,421,218</b>	<b>5,893,928</b>	<b>6,728,048</b>
		0	0	0	0	0	0
<b>06.00</b>	<b>FF&amp;E</b>						
06.01	Furnishings	500,000	500,000	500,000	500,000	500,000	500,000
<b>06.00</b>	<b>SUB TOTAL</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>	<b>500,000</b>
		0	0	0	0	0	0
<b>07.00</b>	<b>Marketing And Sales</b>						
07.01	Marketing and Advertising	775,000	775,000	775,000	775,000	775,000	930,000
07.02	Leasing Office (Salaries/ Operations)	775,000	775,000	775,000	775,000	775,000	930,000
07.02	Leasing - Model Suites	50,000	50,000	50,000	50,000	50,000	50,000
07.03	Leasing Commisions	406,750	406,750	406,750	406,750	406,750	488,100
<b>07.00</b>	<b>SUB TOTAL</b>	<b>2,006,750</b>	<b>2,006,750</b>	<b>2,006,750</b>	<b>2,006,750</b>	<b>2,006,750</b>	<b>2,398,100</b>
		0	0	0	0	0	0

**Toronto Market Sensitivity Analysis**

February 18, 2022



Altus Group Code	Development Cost	100% Market Base Case Budget	Land at Zero Value	Land at 50% Value	No Municipal Costs	No PST Costs	20% Density Increase
08.00	<b>FINANCING</b>						
08.01	Loan Commitment Fee	685,000	440,000	546,000	564,000	623,500	722,500
08.02	Standby Fee	0	0	0	0	0	0
08.03	Lender Admin / Discharge Fees	25,000	25,000	25,000	25,000	25,000	25,000
08.05	Project Monitor	162,000	162,000	162,000	162,000	162,000	162,000
08.06	Appraisal	15,000	15,000	15,000	15,000	15,000	15,000
08.08	Letter of Credit Fees	20,000	20,000	20,000	20,000	20,000	20,000
08.09	CMHC Application Fee	36,000	36,000	36,000	36,000	36,000	42,200
08.10	CMHC Insurance Premiums	3,425,000	2,200,000	2,730,000	2,820,000	3,117,500	3,612,500
08.11	PST on Insurance Premiums	274,000	176,000	218,400	225,600	249,400	289,000
08.16	Construction Loan Interest	6,503,113	3,315,238	4,835,223	5,112,918	6,486,097	6,939,115
08.00	<b>SUB TOTAL</b>	<b>11,145,113</b>	<b>6,389,238</b>	<b>8,587,623</b>	<b>8,980,518</b>	<b>10,734,497</b>	<b>11,827,315</b>
		0	0	0	0	0	0
09.00	<b>PRE OPENING &amp; INTERIM OPERATIONS</b>						
09.01	Interim Operating Costs	1,368,600	1,368,600	1,368,600	1,368,600	1,368,600	1,642,320
09.00	<b>SUB TOTAL</b>	<b>1,368,600</b>	<b>1,368,600</b>	<b>1,368,600</b>	<b>1,368,600</b>	<b>1,368,600</b>	<b>1,642,320</b>
		0	0	0	0	0	0
10.00	<b>Operating Expenses, Taxes And Others</b>						
10.01	HST based on Self Assessed Value at Completion	13,603,894	13,603,894	13,603,894	13,603,894	8,093,805	16,324,673
10.02	HST Payable on Development Costs	12,537,717	12,333,877	12,466,997	12,354,103	12,457,987	14,869,854
10.03	HST ITC on Development Costs	(12,537,717)	(12,333,877)	(12,466,997)	(12,354,103)	(12,457,987)	(14,869,854)
10.00	<b>SUB TOTAL</b>	<b>13,603,894</b>	<b>13,603,894</b>	<b>13,603,894</b>	<b>13,603,894</b>	<b>8,093,805</b>	<b>16,324,673</b>
		0	0	0	0	0	0
11.00	<b>PROJECT CONTINGENCY</b>						
11.01	PROJECT CONTINGENCY	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000	2,900,000
11.00	<b>SUB TOTAL</b>	<b>2,900,000</b>	<b>2,900,000</b>	<b>2,900,000</b>	<b>2,900,000</b>	<b>2,900,000</b>	<b>2,900,000</b>
12.00	<b>OTHER INCOME</b>						
12.04	Interim Operating Income	(2,500,500)	(2,500,500)	(2,500,500)	(2,500,500)	(2,500,500)	(3,000,600)
12.00	<b>SUB TOTAL</b>	<b>(2,500,500)</b>	<b>(2,500,500)</b>	<b>(2,500,500)</b>	<b>(2,500,500)</b>	<b>(2,500,500)</b>	<b>(3,000,600)</b>
	<b>NET PROJECT BUDGET</b>	<b>197,828,909</b>	<b>136,400,084</b>	<b>168,271,419</b>	<b>173,759,212</b>	<b>191,742,902</b>	<b>221,473,848</b>

## **Appendix F: Ottawa Market Model**

Altus Group Code	Development Cost	Altus Group Current Budget	Cost Analysis			% Analysis	
			Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
			215	180,000	140,000	57,612,848	87,493,000
<b>EXECUTIVE SUMMARY</b>							
01.00000	Land Purchase & Acquisition Costs	9,361,000		43,540	52.01	66.86	16%
02.00000	Development Approvals And Municipal Costs	5,319,000		24,740	29.55	37.99	9%
03.00000	Construction Costs	58,072,000		270,102	322.62	414.80	101%
04.00000	Professional Fees	1,825,000		8,488	10.14	13.04	3%
05.00000	Development General & Administration Costs	3,212,000		14,940	17.84	22.94	6%
06.00000	FI&E	300,000		1,395	1.67	2.14	1%
07.00000	Marketing And Sales	1,047,000		4,870	5.82	7.48	2%
08.00000	Financing	3,776,000		17,563	20.98	26.97	7%
09.00000	Pre Opening & Interim Operations	480,000		2,233	2.67	3.43	1%
10.00000	Operating Expenses, Taxes And Others	3,894,000		18,112	21.63	27.81	7%
11.00000	Project Contingency	1,060,000		4,930	5.89	7.57	2%
	<b>GROSS PROJECT BUDGET</b>	<b>88,348,000</b>		<b>410,921</b>	<b>491</b>	<b>631</b>	<b>153%</b>
	Checks	0					
12.00000	Other Income	(855,000)		(3,977)	(4.75)	(6.11)	-1%
	<b>NET PROJECT BUDGET</b>	<b>87,493,000</b>		<b>406,944</b>	<b>486</b>	<b>625</b>	<b>152%</b>
	Checks	0					

CONTINGENCIES	Current	
Construction Contingency - Design	1,096,000	2% of Construction Hard Cost
Construction Contingency - Post Contract	1,677,000	3% of Construction Hard Cost
Construction Escalation Contingency	0	0% of Construction Hard Cost
Demolition / Abatement / Remediation	0	0% of Construction Hard Cost
Development Contingency	1,060,000	5% of Soft Costs
<b>TOTAL CONTINGENCIES</b>	<b>3,833,000</b>	<b>5%</b>

**LEGEND**

GFA	Gross Floor Area - Above Grade Area (Zoning Area)
GCA	Gross Construction Area - Above Grade Construction Area
TPA	Total Parking Area - Below Grade Area
TCA	Total Construction Area (GCA + TPA)
NSA	Net Saleable Area (Residential)
NLA	Net Leasable Area

**YIELD**

<b>Net Development Yield</b>	<b>4.05%</b>
<b>Net Development Yield (excl. Land)</b>	<b>4.54%</b>
<b>Average Residential Rent / Unit</b>	<b>1,988</b>
<b>Average Residential Rent / SF</b>	<b>3.05</b>

**CAPITAL STACK ASSUMPTIONS**

Equity	31,000,000	35%
Debt	56,491,656	65%
Interim Income	1,344	0%
<b>Budget</b>	<b>87,493,000</b>	

Altus Group Code	Development Cost	Altus Group Current Budget		Cost Analysis			% Analysis	
				Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
				215	180,000	140,000	\$7,612.848	87,493,000
01.00	LAND PURCHASE & ACQUISITION COSTS							
01.01	Land Purchase Price	9,000,000	Placeholder Allowance of \$50/Sqft GCA	41,860	50	64.29	15.6%	10.3%
01.02	Land Transfer Tax	211,475	Allowance	984	1	1.51	0.4%	0.2%
01.03	Land Closing Cost	150,000	Allowance	698	1	1.07	0.3%	0.2%
01.00	SUB TOTAL	9,361,475		43,542	52	67	16.2%	10.7%
		0						
02.00	Development Approvals And Municipal Costs							
02.01	Rezoning Fees	27,000	Based on Ottawa Rates, effective January 2022	126	0.15	0.19	0.0%	0.0%
02.02	Site Plan Approval / Planning Fees	30,000	Based on Ottawa Rates, effective January 2022	140	0.17	0.21	0.1%	0.0%
02.03	Additional Density Fees	0	Assumed not applicable	0	0.00	0.00	0.0%	0.0%
02.04	Building Permit Fees	220,000	Based on Ottawa Rates, January 2022	1,023	1.27	1.57	0.4%	0.3%
02.05	Development Charges	3,303,200	Based on Ottawa Rates, effective October 2021	15,364	18.35	23.59	5.7%	3.8%
02.06	Development Charges - Education	588,670	Based on Ottawa Rates, effective October 2021	2,738	3.27	4.20	1.0%	0.7%
02.07	Misc. Municipal Fee & Charges	250,000	Allowance	1,163	1.39	1.79	0.4%	0.3%
02.09	Capital Contributions - Parkland Cash-in-lieu	900,000	10% of assumed land	4,186	5.00	6.43	1.6%	1.0%
02.00	SUB TOTAL	5,318,870		24,739	30	38	2.9%	6.1%
		0						
03.00	CONSTRUCTION COSTS	57,612,848		267,967	320	412	100.0%	65.85%
03.01	Construction Cost - Below Grade	8,935,680	Placeholder Allowance of \$160/Sqft of Underground GCA	41,561	50	64	15.5%	10.2%
03.02	Construction Cost - Above Grade	45,000,000	Placeholder Allowance of \$250/Sqft of Residential GCA	209,302	250	321	78.1%	51.4%
03.03	Construction Cost - Site Development	904,168	Placeholder Allowance of \$40/Sqft of Site Area	4,205	5	6	1.6%	1.0%
03.06	Construction Contingency - Design	1,096,000	Allowance of 3% of Construction	5,098	6	8	1.9%	1.3%
03.07	Construction Contingency - Post Contract	1,677,000	Allowance of 3% of Construction	7,800	9	12	2.9%	1.9%
03.08	Construction Management Fee	0	Included in Construction Cost @ 3%	0	0.00	0.00	0.0%	0.00%
03.09	Utility Contingency	200,000	Allowance	930	1.11	1.43	0.3%	0.2%
03.10	Contractor Default Insurance / Subguard Insurance	259,258	Allowance	1,206	1.44	1.85	0.5%	0.3%
03.12	Construction Escalation Contingency	0	Excluded	0	0.00	0.00	0.0%	0.0%
03.00	SUB TOTAL	58,072,106		270,103	323	415	100.8%	66.4%
		0						
04.00	PROFESSIONAL FEES							
04.02	Architect	700,000	Allowance	3,256	3.89	5.00	1.2%	0.8%
04.03	Structural Engineer	125,000	Allowance	581	0.69	0.89	0.2%	0.1%
04.04	Mechanical Engineer	125,000	Allowance	581	0.69	0.89	0.2%	0.1%
04.05	Electrical Engineer	125,000	Allowance	581	0.69	0.89	0.2%	0.1%
04.06	Civil Engineer	100,000	Allowance	465	0.56	0.71	0.2%	0.1%
04.07	Landscape Architect	75,000	Allowance	349	0.42	0.54	0.1%	0.1%
04.08	Interior Designer	100,000	Allowance	465	0.56	0.71	0.2%	0.1%
04.09	Geotechnical Consultant	30,000	Allowance	140	0.17	0.21	0.1%	0.0%
04.10	Environmental Consultant	30,000	Allowance	140	0.17	0.21	0.1%	0.0%
04.11	Shoring Consultant	30,000	Allowance	140	0.17	0.21	0.1%	0.0%
04.12	Inspection & Testing	85,000	Allowance	395	0.47	0.61	0.1%	0.1%
04.13	Energy Consultant	25,000	Allowance	116	0.14	0.18	0.0%	0.0%
04.14	Planning Consultant	50,000	Allowance	233	0.28	0.36	0.1%	0.1%
04.15	Surveyor	75,000	Allowance	349	0.42	0.54	0.1%	0.1%
04.16	Cost Consultant	50,000	Allowance	233	0.28	0.36	0.1%	0.1%
04.17	Miscellaneous Other Consultants	100,000	Allowance	465	0.56	0.71	0.2%	0.1%
04.00	SUB TOTAL	1,825,000	3.2% of Construction Costs	8,488	10	13	3.2%	2.1%
		0						
05.00	Development General & Administration Costs							
05.01	Legal Fees - General	200,000	Allowance	930	1.11	1.43	0.3%	0.2%
05.07	Legal Fees - Finance	30,000	Allowance	140	0.17	0.21	0.1%	0.0%
05.07	Accounting/Audit	310,000	Allowance	1,442	1.72	2.21	0.5%	0.4%
05.08	Office and Admin	155,000	Allowance	721	0.86	1.11	0.3%	0.2%
05.10	Property Taxes	351,607	Allowance until end of construction	1,635	1.95	2.51	0.6%	0.4%
05.10	Development Management	2,165,659	3.00% of Project Costs (excl. land, finance, and tax)	10,073	12.03	15.47	3.8%	2.5%
05.00	SUB TOTAL	3,212,266		14,841	18	23	5.6%	3.7%
		0						
06.00	FF&E							
06.01	Furnishings	300,000	Allowance	1,395	1.67	2.14	0.5%	0.3%
06.00	SUB TOTAL	300,000		1,395	2	2	0.5%	0.3%
		0						
07.00	Marketing And Sales							
07.01	Marketing and Advertising	387,000	Allowance / unit	1,800	2.15	2.76	0.7%	0.4%
07.02	Leasing Office (Salaries/ Operations)	387,000	Allowance / unit	1,800	2.15	2.76	0.7%	0.4%
07.02	Leasing - Model Suites	50,000	Allowance	233	0.28	0.36	0.1%	0.1%
07.03	Leasing - Commissions	222,750	Allowance	1,056	1.29	1.59	0.4%	0.3%
07.00	SUB TOTAL	1,046,750		4,869	6	7	7.8%	1.2%
		0						

## Preliminary Development Pro forma - Ottawa

February 17, 2022

Altus Group Code	Development Cost	Altus Group Current Budget		Cost Analysis			% Analysis	
				Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
				215	180,000	140,000	57,612,848	87,493,000
08.00	<b>FINANCING</b>							
08.01	Loan Commitment Fee	280,000	50bps of Construction Loan	1,302	1.56	2.00	0.5%	0.3%
08.02	Standby Fee	0	Assumed not applicable	0	0.00	0.00	0.0%	0.0%
08.03	Lender Admin / Discharge Fees	25,000	Allowance	116	0.14	0.18	0.0%	0.0%
08.05	Project Monitor	112,500	Allowance for 25 months	523	0.63	0.80	0.2%	0.1%
08.06	Appraisal	15,000	Allowance	70	0.08	0.11	0.0%	0.0%
08.08	Letter of Credit Fees	20,000	Allowance	93	0.11	0.14	0.0%	0.0%
08.09	CMHC Application Fee	26,500	Allowance	123	0.15	0.19	0.0%	0.0%
08.10	CMHC Insurance Premium	1,400,000	2.5% of Loan Amount	6,512	7.78	10.00	2.4%	1.6%
08.11	PST on CMHC Insurance Premium	112,000	8% PST on Insurance Premium	521	0.62	0.80	0.2%	0.1%
08.16	Construction Loan Interest	1,784,880	2.50% Interest Rate, Allowance including lease up period	8,302	9.92	12.75	3.1%	2.0%
08.00	<b>SUB TOTAL</b>	<b>3,775,880</b>	<b>Assumed CMHC Insured Loan</b>	<b>17,562</b>	<b>21</b>	<b>27</b>	<b>6.6%</b>	<b>4.3%</b>
		0						
09.00	<b>PRE OPENING &amp; INTERIM OPERATIONS</b>							
09.01	Interim Operating Costs	480,240	Allowance during Lease Up (4 months)	2,234	2.67	3.43	0.8%	0.5%
09.00	<b>SUB TOTAL</b>	<b>480,240</b>		<b>2,234</b>	<b>2.67</b>	<b>3.43</b>	<b>0.8%</b>	<b>0.5%</b>
		0						
10.00	<b>Operating Expenses, Taxes And Others</b>							
10.01	HST based on Self Assessed Value at Completion	3,894,068	HST on Rental Value, net of rebates (approx 4.94%)	18,112	21.63	27.81	6.8%	4.5%
10.02	HST Payable on Development Costs	8,913,850	Allowance	41,460	49.52	63.67	15.5%	10.2%
10.03	HST ITC on Development Costs	(8,913,850)	Allowance	(41,460)	(49.52)	(63.67)	-15.5%	-10.2%
10.00	<b>SUB TOTAL</b>	<b>3,894,068</b>		<b>18,112</b>	<b>22</b>	<b>28</b>	<b>6.8%</b>	<b>4.5%</b>
		0						
11.00	<b>PROJECT CONTINGENCY</b>							
11.01	PROJECT CONTINGENCY	1,060,000	5.4% of total budget (excl. Land and Construction Cost)	4,930	5.89	7.57	1.8%	1.2%
11.00	<b>SUB TOTAL</b>	<b>1,060,000</b>		<b>4,930</b>	<b>6</b>	<b>8</b>	<b>1.8%</b>	<b>1.2%</b>
	<b>GROSS PROJECT BUDGET</b>	<b>88,346,656</b>		<b>410,915</b>	<b>491</b>	<b>631</b>	<b>153%</b>	<b>101%</b>
	Checks	0						
12.00	<b>OTHER INCOME</b>							
12.04	Interim Operating Income	(855,000)	Allowance during Lease Up (4 months)	(3,977)	(4.75)	(6.11)	-1.5%	-1.0%
12.00	<b>SUB TOTAL</b>	<b>(855,000)</b>		<b>(3,977)</b>	<b>(5)</b>	<b>(6)</b>	<b>-1.5%</b>	<b>-1.0%</b>
	<b>NET PROJECT BUDGET</b>	<b>87,491,656</b>		<b>406,938</b>	<b>486</b>	<b>625</b>	<b>152%</b>	<b>100%</b>



Project 102587  
Date 17-Feb-22

**FRPO**  
**Rental Building - Ottawa (Market)**

**NOI Summary at Stabilization**  
**CMHC Financing**

*Annual*

**Residential Revenue**

Studio Units	50 Units at	1,400.00 per month	840,000
1 Bed Units	85 Units at	1,900.00 per month	1,938,000
2 Bed Units	70 Units at	2,400.00 per month	2,016,000
3 Bed Units	10 Units at	2,800.00 per month	336,000

<b>Gross Residential Revenue</b>	215 Units at	1,988.37 Average per month	<b>5,130,000</b>
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Less: Vacancy Allowance and Operating Expenses	@ 35.00%	(1,795,500)
		0

**Net Operating Income** **3,334,500**

**Parking Revenue**

	120 stalls at	150.00 per stall / month	216,000
Less: Vacancy Allowance and Operating Expenses	@ 2.50%	(5,400)	

**Net Operating Income** **210,600**

**TOTAL STABILIZED NOI** **3,545,100**

<b>Value at Stabilization</b>	@ 4.50% Cap Rate (Base Scenario)	<b>78,780,000</b>	<b>Value Added (Lost)</b>	<b>(8,711,656)</b>
	@ 4.25% Cap Rate	<b>83,414,118</b>	<b>Value Added (Lost)</b>	<b>(4,077,539)</b>
	@ 4.75% Cap Rate	<b>74,633,684</b>	<b>Value Added (Lost)</b>	<b>(12,857,972)</b>



## **Appendix G: Ottawa 100% Affordable Model**

## FRPO

Rental Building - Ottawa (100% Affordable)

Ottawa Ontario  
 Project Number 102587  
 Date February 18, 2022  
 Report No. Preliminary Development Pro forma - Ottawa

## Preliminary Development Pro forma - Ottawa

February 18, 2022



0

Altus Group Code	Development Cost	Altus Group Current Budget	Cost Analysis			% Analysis	
			Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
			215	180,000	140,000	57,612,848	85,209,000

## EXECUTIVE SUMMARY

01.00000	Land Purchase & Acquisition Costs	9,361,000	43,540	52.01	66.86	16%	11%
02.00000	Development Approvals And Municipal Costs	5,319,000	24,740	29.55	37.99	9%	6%
03.00000	Construction Costs	58,072,000	270,102	322.62	414.80	101%	68%
04.00000	Professional Fees	1,825,000	8,488	10.14	13.04	3%	2%
05.00000	Development General & Administration Costs	3,196,000	14,865	17.76	22.83	6%	4%
06.00000	Ff&E	300,000	1,395	1.67	2.14	1%	0%
07.00000	Marketing And Sales	1,025,000	4,767	5.69	7.32	2%	1%
08.00000	Financing	2,052,000	9,544	11.40	14.66	4%	2%
09.00000	Pre Opening & Interim Operations	494,000	2,298	2.74	3.53	1%	1%
10.00000	Operating Expenses, Taxes And Others	3,274,000	15,228	18.19	23.39	6%	4%
11.00000	Project Contingency	1,060,000	4,930	5.89	7.57	2%	1%
	<b>GROSS PROJECT BUDGET</b>	<b>85,978,000</b>	<b>399,898</b>	<b>478</b>	<b>614</b>	<b>149%</b>	<b>101%</b>
	Checks	0					
12.00000	Other Income	(769,500)	(3,579)	(4.28)	(5.50)	-1%	-1%
	<b>NET PROJECT BUDGET</b>	<b>85,209,000</b>	<b>396,321</b>	<b>473</b>	<b>609</b>	<b>148%</b>	<b>100%</b>
	Checks	0					

## CONTINGENCIES

	Current	
Construction Contingency - Design	1,096,000	2% of Construction Hard Cost
Construction Contingency - Post Contract	1,677,000	3% of Construction Hard Cost
Construction Escalation Contingency	0	0% of Construction Hard Cost
Demolition / Abatement / Remediation	0	0% of Construction Hard Cost
Development Contingency	1,060,000	6% of Soft Costs
<b>TOTAL CONTINGENCIES</b>	<b>3,833,000</b>	<b>5%</b>

## LEGEND

GFA	Gross Floor Area - Above Grade Area (Zoning Area)
GCA	Gross Construction Area - Above Grade Construction Area
TPA	Total Parking Area - Below Grade Area
TCA	Total Construction Area (GCA + TPA)
NSA	Net Saleable Area (Residential)
NLA	Net Leasable Area

## YIELD

<b>Net Development Yield</b>	<b>3.50%</b>
<b>Net Development Yield (excl. Land)</b>	<b>3.93%</b>
<b>Average Residential Rent / Unit</b>	<b>1,790</b>
<b>Average Residential Rent / SF</b>	<b>2.75</b>

## CAPITAL STACK ASSUMPTIONS

Equity	30,000,000	35%
Debt	55,209,481	65%
Interim Income	(481)	0%
<b>Budget</b>	<b>85,209,000</b>	

## Preliminary Development Pro forma - Ottawa

February 18, 2022

0

Altus Group Code	Development Cost	Altus Group Current Budget		Cost Analysis			% Analysis	
				Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
				215	180,000	140,000	57,612,848	85,209,000
<b>01.00</b>	<b>LAND PURCHASE &amp; ACQUISITION COSTS</b>							
01.01	Land Purchase Price	9,000,000	Placeholder Allowance of \$50/Sqft GCA	41,860	50	64.29	15.6%	10.6%
01.02	Land Transfer Tax	211,475	Allowance	984	1	1.51	0.4%	0.2%
01.03	Land Closing Cost	150,000	Allowance	698	1	1.07	0.3%	0.2%
<b>01.00</b>	<b>SUB TOTAL</b>	<b>9,361,475</b>		<b>43,542</b>	<b>52</b>	<b>67</b>	<b>16.2%</b>	<b>11.0%</b>
		0						
<b>02.00</b>	<b>Development Approvals And Municipal Costs</b>							
02.01	Rezoning Fees	27,000	Based on Ottawa Rates, effective January 2022	126	0.15	0.19	0.0%	0.0%
02.02	Site Plan Approval / Planning Fees	30,000	Based on Ottawa Rates, effective January 2022	140	0.17	0.21	0.1%	0.0%
02.03	Additional Density Fees	0	Assumed not applicable	0	0.00	0.00	0.0%	0.0%
02.04	Building Permit Fees	220,000	Based on Ottawa Rates, January 2022	1,023	1.22	1.57	0.4%	0.3%
02.05	Development Charges	3,303,200	Based on Ottawa Rates, effective October 2021	15,364	18.35	23.59	5.7%	3.9%
02.06	Development Charges - Education	588,670	Based on Ottawa Rates, effective October 2021	2,738	3.27	4.20	1.0%	0.7%
02.07	Misc. Municipal Fee & Charges	250,000	Allowance	1,163	1.39	1.79	0.4%	0.3%
02.09	Capital Contributions - Parkland Cash-in-lieu	900,000	10% of assumed land	4,186	5.00	6.43	1.6%	1.1%
<b>02.00</b>	<b>SUB TOTAL</b>	<b>5,318,870</b>		<b>24,739</b>	<b>30</b>	<b>38</b>	<b>9.2%</b>	<b>6.2%</b>
		0						
<b>03.00</b>	<b>CONSTRUCTION COSTS</b>	<b>57,612,848</b>		<b>267,967</b>	<b>320</b>	<b>412</b>	<b>100.0%</b>	<b>67.61%</b>
03.01	Construction Cost - Below Grade	8,935,680	Placeholder Allowance of \$160/Sqft of Underground GCA	41,561	50	64	15.5%	10.5%
03.02	Construction Cost - Above Grade	45,000,000	Placeholder Allowance of \$250/Sqft of Residential GCA	209,302	250	321	78.1%	52.8%
03.03	Construction Cost - Site Development	904,168	Placeholder Allowance of \$40/Sqft of Site Area	4,205	5	6	1.6%	1.1%
03.06	Construction Contingency - Design	1,096,000	Allowance of 2% of Construction	5,098	6	8	1.9%	1.3%
03.07	Construction Contingency - Post Contract	1,677,000	Allowance of 3% of Construction	7,800	9	12	2.9%	2.0%
03.08	Construction Management Fee	0	Included in Construction Cost @ 3%	0	0.00	0.00	0.0%	0.00%
03.09	Utility Connections	200,000	Allowance	930	1.11	1.43	0.3%	0.2%
03.10	Contractor Default Insurance / Subguard Insurance	259,258	Allowance	1,206	1.44	1.85	0.5%	0.3%
03.11!	Construction Escalation Contingency	0	Excluded	0	0.00	0.00	0.0%	0.0%
<b>03.00</b>	<b>SUB TOTAL</b>	<b>58,072,106</b>		<b>270,103</b>	<b>323</b>	<b>415</b>	<b>100.8%</b>	<b>68.2%</b>
		0						
<b>04.00</b>	<b>PROFESSIONAL FEES</b>							
04.02	Architect	700,000	Allowance	3,256	3.89	5.00	1.2%	0.8%
04.03	Structural Engineer	125,000	Allowance	581	0.69	0.89	0.2%	0.1%
04.04	Mechanical Engineer	125,000	Allowance	581	0.69	0.89	0.2%	0.1%
04.05	Electrical Engineer	125,000	Allowance	581	0.69	0.89	0.2%	0.1%
04.06	Civil Engineer	100,000	Allowance	465	0.56	0.71	0.2%	0.1%
04.07	Landscape Architect	75,000	Allowance	349	0.42	0.54	0.1%	0.1%
04.08	Interior Designer	100,000	Allowance	465	0.56	0.71	0.2%	0.1%
04.09	Geotechnical Consultant	30,000	Allowance	140	0.17	0.21	0.1%	0.0%
04.10	Environmental Consultant	30,000	Allowance	140	0.17	0.21	0.1%	0.0%
04.11	Shoring Consultant	30,000	Allowance	140	0.17	0.21	0.1%	0.0%
04.12	Inspection & Testing	85,000	Allowance	395	0.47	0.61	0.1%	0.1%
04.13	Energy Consultant	25,000	Allowance	116	0.14	0.18	0.0%	0.0%
04.14	Planning Consultant	50,000	Allowance	233	0.28	0.36	0.1%	0.1%
04.15	Surveyor	75,000	Allowance	349	0.42	0.54	0.1%	0.1%
04.16	Cost Consultant	50,000	Allowance	233	0.28	0.36	0.1%	0.1%
04.17	Miscellaneous Other Consultants	100,000	Allowance	465	0.56	0.71	0.2%	0.1%
<b>04.00</b>	<b>SUB TOTAL</b>	<b>1,825,000</b>	<b>3.2% of Construction Costs</b>	<b>8,488</b>	<b>10</b>	<b>13</b>	<b>3.2%</b>	<b>2.1%</b>
		0						
<b>05.00</b>	<b>Development General &amp; Administration Costs</b>							
05.01	Legal Fees - General	200,000	Allowance	930	1.11	1.43	0.3%	0.2%
05.07	Legal Fees - Finance	30,000	Allowance	140	0.17	0.21	0.1%	0.0%
05.07	Accounting/ Audit	310,000	Allowance	1,442	1.72	2.21	0.5%	0.4%
05.08	Office and Admin	155,000	Allowance	721	0.86	1.11	0.3%	0.2%
05.10	Property Taxes	351,607	Allowance until end of construction	1,635	1.95	2.51	0.6%	0.4%
05.10	Development Management	2,149,398	3.00% of Project Costs (excl. land, finance, and tax)	9,997	11.94	15.35	3.7%	2.5%
<b>05.00</b>	<b>SUB TOTAL</b>	<b>3,196,005</b>		<b>14,865</b>	<b>18</b>	<b>23</b>	<b>5.5%</b>	<b>3.8%</b>
		0						
<b>06.00</b>	<b>FF&amp;E</b>							
06.01	Furnishings	300,000	Allowance	1,395	1.67	2.14	0.5%	0.4%
<b>06.00</b>	<b>SUB TOTAL</b>	<b>300,000</b>		<b>1,395</b>	<b>2</b>	<b>2</b>	<b>0.5%</b>	<b>0.4%</b>
		0						
<b>07.00</b>	<b>Marketing And Sales</b>							
07.01	Marketing and Advertising	387,000	Allowance / unit	1,800	2.15	2.76	0.7%	0.5%
07.02	Leasing Office (Salaries/ Operations)	387,000	Allowance / unit	1,800	2.15	2.76	0.7%	0.5%
07.02	Leasing - Model Suites	50,000	Allowance	233	0.28	0.36	0.1%	0.1%
07.03	Leasing Commissions	201,375	Allowance	937	1.12	1.44	0.3%	0.2%
<b>07.00</b>	<b>SUB TOTAL</b>	<b>1,025,375</b>		<b>4,769</b>	<b>6</b>	<b>7</b>	<b>1.8%</b>	<b>1.2%</b>
		0						

## FRPO

Rental Building - Ottawa (100% Affordable)

Ottawa Ontario

Project Number 102587

Date February 18, 2022

Report No. Preliminary Development Pro forma - Ottawa

## Preliminary Development Pro forma - Ottawa

February 18, 2022



0

Altus Group Code	Development Cost	Altus Group Current Budget		Cost Analysis			% Analysis	
				Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
				215	180,000	140,000	57,612,848	85,209,000
08.00	<b>FINANCING</b>							
08.01	Loan Commitment Fee	0	Assumed not applicable for RCFI Financing	0	0.00	0.00	0.0%	0.0%
08.02	Standby Fee	0	Assumed not applicable for RCFI Financing	0	0.00	0.00	0.0%	0.0%
08.03	Lender Admin / Discharge Fees	25,000	Allowance	116	0.14	0.18	0.0%	0.0%
08.05	Project Monitor	112,500	Allowance for 25 months	523	0.63	0.80	0.2%	0.1%
08.06	Appraisal	15,000	Allowance	70	0.08	0.11	0.0%	0.0%
08.08	Letter of Credit Fees	20,000	Allowance	93	0.11	0.14	0.0%	0.0%
08.09	CMHC Application Fee	26,500	Allowance	123	0.15	0.19	0.0%	0.0%
08.10	CMHC Insurance Premium	0	Assumed not applicable for RCFI Financing	0	0.00	0.00	0.0%	0.0%
08.11	PST on CMHC Insurance Premium	129,000	Allowance	600	0.72	0.92	0.2%	0.2%
08.16	Construction Loan Interest	1,724,009	2.50% Interest Rate, Allowance including lease up period	8,019	9.58	12.31	3.0%	2.0%
08.00	<b>SUB TOTAL</b>	<b>2,052,009</b>	<b>Assumed CMHC RCFI Financing</b>	<b>9,544</b>	<b>11</b>	<b>15</b>	<b>3.6%</b>	<b>2.4%</b>
		0						
09.00	<b>PRE OPENING &amp; INTERIM OPERATIONS</b>							
09.01	Interim Operating Costs	493,920	Allowance during Lease Up (4 months)	2,297	2.74	3.53	0.9%	0.6%
09.00	<b>SUB TOTAL</b>	<b>493,920</b>		<b>2,297</b>	<b>2.74</b>	<b>3.53</b>	<b>0.9%</b>	<b>0.6%</b>
		0						
10.00	<b>Operating Expenses, Taxes And Others</b>							
10.01	HST based on Self Assessed Value at Completion	3,274,221	HST on Rental Value, net of rebates (approx 4.94%)	15,229	18.19	23.39	5.7%	3.8%
10.02	HST Payable on Development Costs	8,627,859	Allowance	40,130	47.93	61.63	15.0%	10.1%
10.03	HST ITC on Development Costs	(8,627,859)	Allowance	(40,130)	(47.93)	(61.63)	-15.0%	-10.1%
10.00	<b>SUB TOTAL</b>	<b>3,274,221</b>		<b>15,229</b>	<b>18</b>	<b>23</b>	<b>5.7%</b>	<b>3.8%</b>
		0						
11.00	<b>PROJECT CONTINGENCY</b>							
11.01	PROJECT CONTINGENCY	1,060,000	6.2% of total budget (excl. Land and Construction Cost)	4,930	5.89	7.57	1.8%	1.2%
11.00	<b>SUB TOTAL</b>	<b>1,060,000</b>		<b>4,930</b>	<b>6</b>	<b>8</b>	<b>1.8%</b>	<b>1.2%</b>
	<b>GROSS PROJECT BUDGET</b>	<b>85,978,981</b>		<b>399,902</b>	<b>478</b>	<b>614</b>	<b>149%</b>	<b>101%</b>
	Checks	0						
12.00	<b>OTHER INCOME</b>							
12.04	Interim Operating Income	(769,500)	Allowance during Lease Up (4 months)	(3,579)	(4.28)	(5.50)	-1.3%	-0.9%
12.00	<b>SUB TOTAL</b>	<b>(769,500)</b>		<b>(3,579)</b>	<b>(4)</b>	<b>(5)</b>	<b>-1.3%</b>	<b>-0.9%</b>
	<b>NET PROJECT BUDGET</b>	<b>85,209,481</b>		<b>396,323</b>	<b>473</b>	<b>609</b>	<b>148%</b>	<b>100%</b>



Project 102587  
Date 18-Feb-22

**FRPO**  
**Rental Building - Ottawa (100% Affordable)**

**NOI Summary at Stabilization**  
**CMHC Financing**

*Annual*

*Affordable Rent for Ottawa (30% of Avg. Household Income)* 2,893.75 per month

**Residential Revenue** (90% of Market Rent to Qualify for CMHC RCFI Financing)

Studio Units	50	Units at	1,260.00	per month	756,000
1 Bed Units	85	Units at	1,710.00	per month	1,744,200
2 Bed Units	70	Units at	2,160.00	per month	1,814,400
3 Bed Units	10	Units at	2,520.00	per month	302,400

**Gross Residential Revenue** 215 Units at 1,789.53 Average per month **4,617,000**

Less: Vacancy Allowance and Operating Expenses @ 40.00% (1,846,800)

**Net Operating Income** 2,770,200

**Parking Revenue**

120 stalls at 150.00 per stall / month 216,000  
Less: Vacancy Allowance and Operating Expenses @ 2.50% (5,400)

**Net Operating Income** 210,600

**TOTAL STABILIZED NOI** 2,980,800

<b>Value at Stabilization</b>	@ 4.50%	Cap Rate (Base Scenario)	<b>66,240,000</b>	<b>Value Added (Lost)</b>	<b>(18,969,481)</b>
	@ 4.25%	Cap Rate	<b>70,136,471</b>	<b>Value Added (Lost)</b>	<b>(15,073,010)</b>
	@ 4.75%	Cap Rate	<b>62,753,684</b>	<b>Value Added (Lost)</b>	<b>(22,455,797)</b>

## **Appendix H: Ottawa 10% Affordable Model**

**FRPO**  
Rental Building - Ottawa (90% Market, 10% Affordable)  
Ottawa Ontario  
Project Number 102587  
Date March 4, 2022  
Report No. Preliminary Development Pro forma - Ottawa

Preliminary Development Pro forma - Ottawa

March 4, 2022



Altus Group Code	Development Cost	Altus Group Current Budget	Cost Analysis			% Analysis	
			Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
			215	180,000	140,000	57,612,848	87,401,000

**EXECUTIVE SUMMARY**

01.00000	Land Purchase & Acquisition Costs	9,361,000	43,540	52.01	66.86	16%	11%
02.00000	Development Approvals And Municipal Costs	5,319,000	24,740	29.55	37.99	9%	6%
03.00000	Construction Costs	58,072,000	270,102	322.62	414.80	101%	66%
04.00000	Professional Fees	1,825,000	8,488	10.14	13.04	3%	2%
05.00000	Development General & Administration Costs	3,203,000	14,898	17.79	22.88	6%	4%
06.00000	F&E	300,000	1,395	1.67	2.14	1%	0%
07.00000	Marketing And Sales	1,024,000	4,763	5.69	7.31	2%	1%
08.00000	Financing	4,017,000	18,684	22.32	28.69	7%	5%
09.00000	Pre Opening & Interim Operations	482,000	2,242	2.68	3.44	1%	1%
10.00000	Operating Expenses, Taxes And Others	3,505,000	16,302	19.47	25.04	6%	4%
11.00000	Project Contingency	1,060,000	4,930	5.89	7.57	2%	1%
	<b>GROSS PROJECT BUDGET</b>	<b>88,170,000</b>	<b>410,093</b>	<b>490</b>	<b>630</b>	<b>153%</b>	<b>101%</b>
	Checks	0					
12.00000	Other Income	(769,500)	(3,579)	(4.28)	(5.50)	-1%	-1%
	<b>NET PROJECT BUDGET</b>	<b>87,401,000</b>	<b>406,516</b>	<b>486</b>	<b>624</b>	<b>152%</b>	<b>100%</b>
	Checks	0					

CONTINGENCIES	Current	
Construction Contingency - Design	1,096,000	2% of Construction Hard Cost
Construction Contingency - Post Contract	1,677,000	3% of Construction Hard Cost
Construction Escalation Contingency	0	0% of Construction Hard Cost
Demolition / Abatement / Remediation	0	0% of Construction Hard Cost
Development Contingency	1,060,000	5% of Soft Costs
<b>TOTAL CONTINGENCIES</b>	<b>3,833,000</b>	<b>5%</b>

**LEGEND**

GFA	Gross Floor Area - Above Grade Area (Zoning Area)
GCA	Gross Construction Area - Above Grade Construction Area
TPA	Total Parking Area - Below Grade Area
TCA	Total Construction Area (GCA + TPA)
NSA	Net Saleable Area (Residential)
NLA	Net Leasable Area

**YIELD**

<b>Net Development Yield</b>	<b>3.99%</b>
<b>Net Development Yield (excl. Land)</b>	<b>4.47%</b>
<b>Average Residential Rent / Unit</b>	<b>1,988</b>
<b>Average Residential Rent / SF</b>	<b>2.75</b>

**CAPITAL STACK ASSUMPTIONS**

Equity	31,000,000	35%
Debt	56,398,232	65%
Interim Income	2,768	0%
<b>Budget</b>	<b>87,401,000</b>	

Altus Group Code	Development Cost	Altus Group Current Budget		Cost Analysis			% Analysis	
				Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
				215	180,000	140,000	57,612,848	87,401,000
<b>01.00</b>	<b>LAND PURCHASE &amp; ACQUISITION COSTS</b>							
01.01	Land Purchase Price	9,000,000	Placeholder Allowance of \$50/Sqft GCA	41,860	50	64.29	15.6%	10.3%
01.02	Land Transfer Tax	211,475	Allowance	984	1	1.51	0.4%	0.2%
01.03	Land Closing Cost	150,000	Allowance	698	1	1.07	0.3%	0.2%
<b>01.00</b>	<b>SUB TOTAL</b>	<b>9,361,475</b>		<b>43,542</b>	<b>52</b>	<b>67</b>	<b>16.2%</b>	<b>10.7%</b>
		0						
<b>02.00</b>	<b>Development Approvals And Municipal Costs</b>							
02.01	Rezoning Fees	27,000	Based on Ottawa Rates, effective January 2022	126	0.15	0.19	0.0%	0.0%
02.02	Site Plan Approval / Planning Fees	30,000	Based on Ottawa Rates, effective January 2022	140	0.17	0.21	0.1%	0.0%
02.03	Additional Density Fees	0	Assumed not applicable	0	0.00	0.00	0.0%	0.0%
02.04	Building Permit Fees	220,000	Based on Ottawa Rates, January 2022	1,023	1.22	1.57	0.4%	0.3%
02.05	Development Charges	3,303,200	Based on Ottawa Rates, effective October 2021	15,364	18.35	23.59	5.7%	3.8%
02.06	Development Charges - Education	588,670	Based on Ottawa Rates, effective October 2021	2,738	3.27	4.20	1.0%	0.7%
02.07	Misc. Municipal Fee & Charges	250,000	Allowance	1,163	1.39	1.79	0.4%	0.3%
02.09	Capital Contributions - Parkland Cash-in-lieu	900,000	10% of assumed land	4,186	5.00	6.43	1.6%	1.0%
<b>02.00</b>	<b>SUB TOTAL</b>	<b>5,318,870</b>		<b>24,739</b>	<b>30</b>	<b>38</b>	<b>9.2%</b>	<b>6.1%</b>
		0						
<b>03.00</b>	<b>CONSTRUCTION COSTS</b>	<b>57,612,848</b>		<b>267,967</b>	<b>320</b>	<b>412</b>	<b>100.0%</b>	<b>65.92%</b>
03.01	Construction Cost - Below Grade	8,935,680	Placeholder Allowance of \$160/Sqft of Underground GCA	41,561	50	64	15.5%	10.2%
03.02	Construction Cost - Above Grade	45,000,000	Placeholder Allowance of \$250/Sqft of Residential GCA	209,302	250	321	78.1%	51.5%
03.03	Construction Cost - Site Development	904,168	Placeholder Allowance of \$40/Sqft of Site Area	4,205	5	6	1.6%	1.0%
03.06	Construction Contingency - Design	1,096,000	Allowance of 2% of Construction	5,098	6	8	1.9%	1.3%
03.07	Construction Contingency - Post Contract	1,677,000	Allowance of 3% of Construction	7,800	9	12	2.9%	1.9%
03.08	Construction Management Fee	0	Included in Construction Cost @ 3%	0	0.00	0.00	0.0%	0.00%
03.09	Utility Connections	200,000	Allowance	930	1.11	1.43	0.3%	0.2%
03.10	Contractor Default Insurance / Subguard Insurance	259,258	Allowance	1,206	1.44	1.85	0.5%	0.3%
<b>03.00</b>	<b>SUB TOTAL</b>	<b>58,072,106</b>		<b>270,103</b>	<b>323</b>	<b>415</b>	<b>100.8%</b>	<b>66.4%</b>
		0						
<b>04.00</b>	<b>PROFESSIONAL FEES</b>							
04.02	Architect	700,000	Allowance	3,256	3.89	5.00	1.2%	0.8%
04.03	Structural Engineer	125,000	Allowance	581	0.69	0.89	0.2%	0.1%
04.04	Mechanical Engineer	125,000	Allowance	581	0.69	0.89	0.2%	0.1%
04.05	Electrical Engineer	125,000	Allowance	581	0.69	0.89	0.2%	0.1%
04.06	Civil Engineer	100,000	Allowance	465	0.56	0.71	0.2%	0.1%
04.07	Landscape Architect	75,000	Allowance	349	0.42	0.54	0.1%	0.1%
04.08	Interior Designer	100,000	Allowance	465	0.56	0.71	0.2%	0.1%
04.09	Geotechnical Consultant	30,000	Allowance	140	0.17	0.21	0.1%	0.0%
04.10	Environmental Consultant	30,000	Allowance	140	0.17	0.21	0.1%	0.0%
04.11	Shoring Consultant	30,000	Allowance	140	0.17	0.21	0.1%	0.0%
04.12	Inspection & Testing	85,000	Allowance	395	0.47	0.61	0.1%	0.1%
04.13	Energy Consultant	25,000	Allowance	116	0.14	0.18	0.0%	0.0%
04.14	Planning Consultant	50,000	Allowance	233	0.28	0.36	0.1%	0.1%
04.15	Surveyor	75,000	Allowance	349	0.42	0.54	0.1%	0.1%
04.16	Cost Consultant	50,000	Allowance	233	0.28	0.36	0.1%	0.1%
04.17	Miscellaneous Other Consultants	100,000	Allowance	465	0.56	0.71	0.2%	0.1%
<b>04.00</b>	<b>SUB TOTAL</b>	<b>1,825,000</b>	<b>3.2% of Construction Costs</b>	<b>8,488</b>	<b>10</b>	<b>13</b>	<b>3.2%</b>	<b>2.1%</b>
		0						
<b>05.00</b>	<b>Development General &amp; Administration Costs</b>							
05.01	Legal Fees - General	200,000	Allowance	930	1.11	1.43	0.3%	0.2%
05.07	Legal Fees - Finance	30,000	Allowance	140	0.17	0.21	0.1%	0.0%
05.07	Accounting/ Audit	310,000	Allowance	1,442	1.72	2.21	0.5%	0.4%
05.08	Office and Admin	155,000	Allowance	721	0.86	1.11	0.3%	0.2%
05.10	Property Taxes	351,607	Allowance until end of construction	1,635	1.95	2.51	0.6%	0.4%
05.10	Development Management	2,155,915	3.00% of Project Costs (excl. land, finance, and tax)	10,028	11.98	15.40	3.7%	2.5%
<b>05.00</b>	<b>SUB TOTAL</b>	<b>3,202,522</b>		<b>14,895</b>	<b>18</b>	<b>23</b>	<b>5.6%</b>	<b>3.7%</b>
		0						
<b>06.00</b>	<b>FF&amp;E</b>							
06.01	Furnishings	300,000	Allowance	1,395	1.67	2.14	0.5%	0.3%
<b>06.00</b>	<b>SUB TOTAL</b>	<b>300,000</b>		<b>1,395</b>	<b>2</b>	<b>2</b>	<b>0.5%</b>	<b>0.3%</b>
		0						
<b>07.00</b>	<b>Marketing And Sales</b>							
07.01	Marketing and Advertising	387,000	Allowance / unit	1,800	2.15	2.76	0.7%	0.4%
07.02	Leasing Office (Salaries/ Operations)	387,000	Allowance / unit	1,800	2.15	2.76	0.7%	0.4%
07.02	Leasing - Model Suites	50,000	Allowance	233	0.28	0.36	0.1%	0.1%
07.03	Leasing Commissions	200,475	Allowance	932	1.11	1.43	0.3%	0.2%
<b>07.00</b>	<b>SUB TOTAL</b>	<b>1,024,475</b>		<b>4,765</b>	<b>6</b>	<b>7</b>	<b>1.8%</b>	<b>1.2%</b>
		0						



Preliminary Development Pro forma - Ottawa

March 4, 2022



0

Altus Group Code	Development Cost	Altus Group Current Budget		Cost Analysis			% Analysis	
				Cost/Unit	Cost / GCA	Cost / NSA	% of Construction	% of Total
				215	180,000	140,000	57,612,848	87,401,000
<b>08.00</b>	<b>FINANCING</b>							
08.01	Loan Commitment Fee	322,500	Allowance of 50bps of Loan amount	1,500	1.79	2.30	0.6%	0.4%
08.02	Standby Fee	0	Assumed not applicable	0	0.00	0.00	0.0%	0.0%
08.03	Lender Admin / Discharge Fees	25,000	Allowance	116	0.14	0.18	0.0%	0.0%
08.05	Project Monitor	112,500	Allowance for 25 months	523	0.63	0.80	0.2%	0.1%
08.06	Appraisal	15,000	Allowance	70	0.08	0.11	0.0%	0.0%
08.08	Letter of Credit Fees	20,000	Allowance	93	0.11	0.14	0.0%	0.0%
08.09	CMHC Application Fee	26,500	Allowance	123	0.15	0.19	0.0%	0.0%
08.10	CMHC Insurance Premium	1,612,500	Allowance of 2.5% of Loan amount	7,500	8.96	11.52	2.8%	1.8%
08.11	PST on CMHC Insurance Premium	129,000	Allowance	600	0.72	0.92	0.2%	0.1%
08.16	Construction Loan Interest	1,754,015	2.50% Interest Rate, Allowance including lease up period	8,158	9.74	12.53	3.0%	2.0%
<b>08.00</b>	<b>SUB TOTAL</b>	<b>4,017,015</b>	<b>Assumed CMHC RCFI Financing</b>	<b>18,684</b>	<b>22</b>	<b>29</b>	<b>7.0%</b>	<b>4.6%</b>
		0						
<b>09.00</b>	<b>PRE OPENING &amp; INTERIM OPERATIONS</b>							
09.01	Interim Operating Costs	481,608	Allowance during Lease Up (4 months)	2,240	2.68	3.44	0.8%	0.6%
<b>09.00</b>	<b>SUB TOTAL</b>	<b>481,608</b>		<b>2,240</b>	<b>2.68</b>	<b>3.44</b>	<b>0.8%</b>	<b>0.6%</b>
		0						
<b>10.00</b>	<b>Operating Expenses, Taxes And Others</b>							
10.01	HST based on Self Assessed Value at Completion	3,504,662	HST on Rental Value, net of rebates (approx 4.94%)	16,301	19.47	25.03	6.1%	4.0%
10.02	HST Payable on Development Costs	8,908,613	Allowance	41,435	49.49	63.63	15.5%	10.2%
10.03	HST ITC on Development Costs	(8,908,613)	Allowance	(41,435)	(49.49)	(63.63)	-15.5%	-10.2%
<b>10.00</b>	<b>SUB TOTAL</b>	<b>3,504,662</b>		<b>16,301</b>	<b>19</b>	<b>25</b>	<b>6.1%</b>	<b>4.0%</b>
		0						
<b>11.00</b>	<b>PROJECT CONTINGENCY</b>							
11.01	PROJECT CONTINGENCY	1,060,000	5.5% of total budget (excl. Land and Construction Cost)	4,930	5.89	7.57	1.8%	1.2%
<b>11.00</b>	<b>SUB TOTAL</b>	<b>1,060,000</b>		<b>4,930</b>	<b>6</b>	<b>8</b>	<b>1.8%</b>	<b>1.2%</b>
	<b>GROSS PROJECT BUDGET</b>	<b>88,167,732</b>		<b>410,082</b>	<b>490</b>	<b>630</b>	<b>153%</b>	<b>101%</b>
	Checks	0						
<b>12.00</b>	<b>OTHER INCOME</b>							
12.04	Interim Operating Income	(769,500)	Allowance during Lease Up (4 months)	(3,579)	(4.28)	(5.50)	-1.3%	-0.9%
<b>12.00</b>	<b>SUB TOTAL</b>	<b>(769,500)</b>		<b>(3,579)</b>	<b>(4)</b>	<b>(5)</b>	<b>-1.3%</b>	<b>-0.9%</b>
	<b>NET PROJECT BUDGET</b>	<b>87,398,232</b>		<b>406,503</b>	<b>486</b>	<b>624</b>	<b>152%</b>	<b>100%</b>

**FRPO**  
**Rental Building - Ottawa (90% Market, 10% Affordable)**

**NOI Summary at Stabilization**  
**CMHC Financing**

				<i>Annual</i>
<b>Residential Revenue Market - 90%</b>				
Studio Units	45	Units at	1,400.00 per month	756,000
1 Bed Units	77	Units at	1,900.00 per month	1,744,200
2 Bed Units	63	Units at	2,400.00 per month	1,814,400
3 Bed Units	9	Units at	2,800.00 per month	302,400
<b>Gross Residential Revenue</b>	<u>194</u>	Units at	<u>1,988.37</u> Average per month	<b>4,617,000</b>
Less: Vacancy Allowance and Operating Expenses			@ 35.00%	(1,615,950)
				<u>0</u>
			<b>Net Operating Income</b>	<b>3,001,050</b>
<b>Parking Revenue</b>				
	108	stalls at	150.00 per stall / month	194,400
Less: Vacancy Allowance and Operating Expenses			@ 2.50%	(4,860)
				<u>189,540</u>
			<b>Net Operating Income</b>	<b>189,540</b>
<u>Affordable Rent for Ottawa (30% of Avg. Household Income)</u> <u>2,893.75 per month</u>				
<b>Residential Revenue Affordable - 10%</b>				
Studio Units (Affordable)	5	Units at	1,260.00 per month	75,600
1 Bed Units (Affordable)	9	Units at	1,710.00 per month	174,420
2 Bed Units (Affordable)	7	Units at	2,160.00 per month	181,440
3 Bed Units (Affordable)	1	Units at	2,520.00 per month	30,240
<b>Gross Residential Revenue</b>	<u>22</u>	Units at	<u>1,789.53</u> Average per month	<b>461,700</b>
Less: Vacancy Allowance and Operating Expenses			@ 40.00%	(184,680)
				<u>277,020</u>
			<b>Net Operating Income</b>	<b>277,020</b>
<b>Parking Revenue</b>				
	12	stalls at	150.00 per stall / month	21,600
Less: Vacancy Allowance and Operating Expenses			@ 2.50%	(540)
				<u>21,060</u>
			<b>Net Operating Income</b>	<b>21,060</b>
			<b>TOTAL STABILIZED NOI</b>	<b>3,488,670</b>
<b>Value at Stabilization</b>	@ 4.50%	Cap Rate (Base Scenario)	<b>77,526,000</b>	<b>Value Added (Lost)</b> <b>(10,147,003)</b>
	@ 4.25%	Cap Rate	<b>82,086,353</b>	<b>Value Added (Lost)</b> <b>(5,586,650)</b>
	@ 4.75%	Cap Rate	<b>73,445,684</b>	<b>Value Added (Lost)</b> <b>(14,227,319)</b>

## **Appendix I: Ottawa Market / Affordable Models Comparison**

Ottawa Ontario  
 Project Number 102587  
 Date March 4, 2022  
 Report No. Preliminary Development Proforma - Ottawa

## Ottawa Models Budget Comparison

March 4, 2022



Altus Group Code	Development Cost	Altus Group Base Market	Altus Group 100% Affordable	Altus Group 90 Market 10% Affordable
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## EXECUTIVE SUMMARY

01.00000	Land Purchase & Acquisition Costs	9,361,000	9,361,000	9,361,000
02.00000	Development Approvals And Municipal Costs	5,319,000	5,319,000	5,319,000
03.00000	Construction Costs	58,072,000	58,072,000	58,072,000
04.00000	Professional Fees	1,825,000	1,825,000	1,825,000
05.00000	Development General & Administration Costs	3,212,000	3,196,000	3,203,000
06.00000	FF&E	300,000	300,000	300,000
07.00000	Marketing And Sales	1,047,000	1,025,000	1,024,000
08.00000	Financing	3,776,000	2,052,000	4,017,000
09.00000	Pre Opening & Interim Operations	480,000	494,000	482,000
10.00000	Operating Expenses, Taxes And Others	3,894,000	3,274,000	3,505,000
11.00000	Project Contingency	1,060,000	1,060,000	1,060,000
	<b>GROSS PROJECT BUDGET</b>	<b>88,346,000</b>	<b>85,978,000</b>	<b>88,168,000</b>
	Checks			
12.00000	Other Income	(855,000)	(769,500)	(769,500)
	<b>NET PROJECT BUDGET</b>	<b>87,491,000</b>	<b>85,209,000</b>	<b>87,399,000</b>
<b>CONTINGENCIES</b>		<b>Current</b>	<b>Current</b>	<b>Current</b>
	Construction Contingency - Design	1,096,000	1,096,000	1,096,000
	Construction Contingency - Post Contract	1,677,000	1,677,000	1,677,000
	Construction Escalation Contingency	0	0	0
	Demolition / Abatement / Remediation	0	0	0
	Development Contingency	1,060,000	1,060,000	1,060,000
	<b>TOTAL CONTINGENCIES</b>	<b>3,833,000</b>	<b>3,833,000</b>	<b>3,833,000</b>

Ottawa Ontario  
 Project Number 102587  
 Date March 4, 2022  
 Report No. Preliminary Development Proforma - Ottawa

## Ottawa Models Budget Comparison

March 4, 2022



Altus Group Code	Development Cost	Altus Group Base Market	Altus Group 100% Affordable	Altus Group 90 Market 10% Affordable
<b>01.00</b>	<b>LAND PURCHASE &amp; ACQUISITION COSTS</b>			
01.01	Land Purchase Price	9,000,000	9,000,000	9,000,000
01.02	Land Transfer Tax	211,475	211,475	211,475
01.03	Land Closing Cost	150,000	150,000	150,000
<b>01.00</b>	<b>SUB TOTAL</b>	<b>9,361,475</b>	<b>9,361,475</b>	<b>9,361,475</b>
		0	0	0
<b>02.00</b>	<b>Development Approvals And Municipal Costs</b>			
02.01	Rezoning Fees	27,000	27,000	27,000
02.02	Site Plan Approval / Planning Fees	30,000	30,000	30,000
02.03	Additional Density Fees	0	0	0
02.04	Building Permit Fees	220,000	220,000	220,000
02.05	Development Charges	3,303,200	3,303,200	3,303,200
02.06	Development Charges - Education	588,670	588,670	588,670
02.07	Misc. Municipal Fee & Charges	250,000	250,000	250,000
02.09	Capital Contributions - Parkland Cash-in-lieu	900,000	900,000	900,000
<b>02.00</b>	<b>SUB TOTAL</b>	<b>5,318,870</b>	<b>5,318,870</b>	<b>5,318,870</b>
		0	0	0
<b>03.00</b>	<b>CONSTRUCTION COSTS</b>	<b>57,612,848</b>	<b>57,612,848</b>	<b>57,612,848</b>
03.01	Construction Cost - Below Grade	8,935,680	8,935,680	8,935,680
03.02	Construction Cost - Above Grade	45,000,000	45,000,000	45,000,000
03.03	Construction Cost - Site Development	904,168	904,168	904,168
03.06	Construction Contingency - Design	1,096,000	1,096,000	1,096,000
03.07	Construction Contingency - Post Contract	1,677,000	1,677,000	1,677,000
03.08	Construction Management Fee	0	0	0
03.09	Utility Connections	200,000	200,000	200,000
03.10	Contractor Default Insurance / Subguard Insurance	259,258	259,258	259,258
03.12	Construction Escalation Contingency			
<b>03.00</b>	<b>SUB TOTAL</b>	<b>58,072,106</b>	<b>58,072,106</b>	<b>58,072,106</b>
		0	0	0
<b>04.00</b>	<b>PROFESSIONAL FEES</b>			
04.02	Architect	700,000	700,000	700,000
04.03	Structural Engineer	125,000	125,000	125,000
04.04	Mechanical Engineer	125,000	125,000	125,000
04.05	Electrical Engineer	125,000	125,000	125,000
04.06	Civil Engineer	100,000	100,000	100,000
04.07	Landscape Architect	75,000	75,000	75,000
04.08	Interior Designer	100,000	100,000	100,000
04.09	Geotechnical Consultant	30,000	30,000	30,000
04.10	Environmental Consultant	30,000	30,000	30,000
04.11	Shoring Consultant	30,000	30,000	30,000
04.12	Inspection & Testing	85,000	85,000	85,000
04.13	Energy Consultant	25,000	25,000	25,000
04.14	Planning Consultant	50,000	50,000	50,000
04.15	Surveyor	75,000	75,000	75,000
04.16	Cost Consultant	50,000	50,000	50,000
04.17	Miscellaneous Other Consultants	100,000	100,000	100,000
<b>04.00</b>	<b>SUB TOTAL</b>	<b>1,825,000</b>	<b>1,825,000</b>	<b>1,825,000</b>
		0	0	0
<b>05.00</b>	<b>Development General &amp; Administration Costs</b>			
05.01	Legal Fees - General	200,000	200,000	200,000
05.07	Legal Fees - Finance	30,000	30,000	30,000
05.07	Accounting/ Audit	310,000	310,000	310,000
05.08	Office and Admin	155,000	155,000	155,000
05.10	Property Taxes	351,607	351,607	351,607
05.10	Development Management	2,165,659	2,149,398	2,155,915
<b>05.00</b>	<b>SUB TOTAL</b>	<b>3,212,266</b>	<b>3,196,005</b>	<b>3,202,522</b>
		0	0	0
<b>06.00</b>	<b>FF&amp;E</b>			
06.01	Furnishings	300,000	300,000	300,000
<b>06.00</b>	<b>SUB TOTAL</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
		0	0	0
<b>07.00</b>	<b>Marketing And Sales</b>			
07.01	Marketing and Advertising	387,000	387,000	387,000
07.02	Leasing Office (Salaries/ Operations)	387,000	387,000	387,000
07.02	Leasing - Model Suites	50,000	50,000	50,000
07.03	Leasing Commissions	222,750	201,375	200,475
<b>07.00</b>	<b>SUB TOTAL</b>	<b>1,046,750</b>	<b>1,025,375</b>	<b>1,024,475</b>
		0	0	0

Ottawa Ontario  
 Project Number 102587  
 Date March 4, 2022  
 Report No. Preliminary Development Proforma - Ottawa

## Ottawa Models Budget Comparison

March 4, 2022



Altus Group Code	Development Cost	Altus Group Base Market	Altus Group 100% Affordable	Altus Group 90 Market 10% Affordable
<b>08.00</b>	<b>FINANCING</b>			
08.01	Loan Commitment Fee	280,000	0	322,500
08.02	Standby Fee	0	0	0
08.03	Lender Admin / Discharge Fees	25,000	25,000	25,000
08.05	Project Monitor	112,500	112,500	112,500
08.06	Appraisal	15,000	15,000	15,000
08.08	Letter of Credit Fees	20,000	20,000	20,000
08.09	CMHC Application Fee	26,500	26,500	26,500
08.10	CMHC Insurance Premiums	1,400,000	0	1,612,500
08.11	PST on Insurance Premiums	112,000	129,000	129,000
08.16	Construction Loan Interest	1,784,880	1,724,009	1,754,015
<b>08.00</b>	<b>SUB TOTAL</b>	<b>3,775,880</b>	<b>2,052,009</b>	<b>4,017,015</b>
		0	0	0
<b>09.00</b>	<b>PRE OPENING &amp; INTERIM OPERATIONS</b>			
09.01	Interim Operating Costs	480,240	493,920	481,608
<b>09.00</b>	<b>SUB TOTAL</b>	<b>480,240</b>	<b>493,920</b>	<b>481,608</b>
		0	0	0
<b>10.00</b>	<b>Operating Expenses, Taxes And Others</b>			
10.01	HST based on Self Assessed Value at Completion	3,894,068	3,274,221	3,504,662
10.02	HST Payable on Development Costs	8,913,850	8,627,859	8,908,613
10.03	HST ITC on Development Costs	(8,913,850)	(8,627,859)	(8,908,613)
<b>10.00</b>	<b>SUB TOTAL</b>	<b>3,894,068</b>	<b>3,274,221</b>	<b>3,504,662</b>
		0	0	0
<b>11.00</b>	<b>PROJECT CONTINGENCY</b>			
11.01	PROJECT CONTINGENCY	1,060,000	1,060,000	1,060,000
<b>11.00</b>	<b>SUB TOTAL</b>	<b>1,060,000</b>	<b>1,060,000</b>	<b>1,060,000</b>
	<b>GROSS PROJECT BUDGET</b>	<b>88,346,656</b>	<b>85,978,981</b>	<b>88,167,732</b>
	Checks	0	0	0
<b>12.00</b>	<b>OTHER INCOME</b>			
12.04	Interim Operating Income	(855,000)	(769,500)	(769,500)
<b>12.00</b>	<b>SUB TOTAL</b>	<b>(855,000)</b>	<b>(769,500)</b>	<b>(769,500)</b>
	<b>NET PROJECT BUDGET</b>	<b>87,491,656</b>	<b>85,209,481</b>	<b>87,398,232</b>

## **Appendix J: Ottawa Market: Sensitivity Analysis**

## FRPO

Rental Building - Ottawa

Ottawa

Project Number

Date

Report No.

Ontario

102587

February 18, 2022

Preliminary Development Pro forma - Ottawa

## Ottawa Market Sensitivity Analysis

February 18, 2022



Altus Group Code	Development Cost	100% Market Base Case Budget	Land at Zero Value	Land at 50% Value	No Municipal Costs	No PST Costs	20% Density Increase
<b>EXECUTIVE SUMMARY</b>							
01.00000	Land Purchase & Acquisition Costs	9,361,000	361,000	4,861,000	9,361,000	9,361,000	9,361,000
02.00000	Development Approvals And Municipal Costs	5,319,000	5,319,000	5,319,000	0	5,319,000	6,137,000
03.00000	Construction Costs	58,072,000	58,072,000	58,072,000	58,072,000	58,072,000	69,456,000
04.00000	Professional Fees	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000	1,825,000
05.00000	Development General & Administration Costs	3,212,000	3,209,000	3,212,000	3,053,000	3,167,000	3,605,000
06.00000	FF&E	300,000	300,000	300,000	300,000	300,000	300,000
07.00000	Marketing And Sales	1,047,000	1,047,000	1,047,000	1,047,000	1,047,000	1,246,000
08.00000	Financing	3,776,000	3,410,000	3,586,000	3,497,000	3,690,000	4,403,000
09.00000	Pre Opening & Interim Operations	480,000	480,000	480,000	480,000	480,000	576,000
10.00000	Operating Expenses, Taxes And Others	3,894,000	3,894,000	3,894,000	3,894,000	2,396,000	4,673,000
11.00000	Project Contingency	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000
<b>GROSS PROJECT BUDGET</b>		<b>88,346,000</b>	<b>78,977,000</b>	<b>83,653,000</b>	<b>82,590,000</b>	<b>86,717,000</b>	<b>102,642,000</b>
Checks							
12.00000	Other Income	(855,000)	(855,000)	(855,000)	(855,000)	(855,000)	(1,026,000)
<b>NET PROJECT BUDGET</b>		<b>87,491,000</b>	<b>78,122,000</b>	<b>82,798,000</b>	<b>81,735,000</b>	<b>85,862,000</b>	<b>101,616,000</b>
Checks							
<b>Cost (Savings) / Increases on Budget from Base Case</b>			<b>(9,369,000)</b>	<b>(4,693,000)</b>	<b>(5,756,000)</b>	<b>(1,629,000)</b>	<b>14,125,000</b>
<b>NOI at Stabilization</b>		<b>3,545,100</b>	<b>3,545,100</b>	<b>3,545,100</b>	<b>3,545,100</b>	<b>3,545,100</b>	<b>4,254,120</b>
<b>Value at Stabilization</b>							
	Cap Rate						
	4.25%	83,414,118	83,414,118	83,414,118	83,414,118	83,414,118	100,096,941
Base Case	4.50%	78,780,000	78,780,000	78,780,000	78,780,000	78,780,000	94,536,000
	4.75%	74,633,684	74,633,684	74,633,684	74,633,684	74,633,684	89,560,421
<b>Development Yield</b>		<b>4.05%</b>	<b>4.54%</b>	<b>4.29%</b>	<b>4.34%</b>	<b>4.13%</b>	<b>4.19%</b>



Altus Group Code	Development Cost	100% Market Base Case Budget	Land at Zero Value	Land at 50% Value	No Municipal Costs	No PST Costs	20% Density Increase
<b>01.00</b>	<b>LAND PURCHASE &amp; ACQUISITION COSTS</b>						
01.01	Land Purchase Price	9,000,000	0	4,500,000	9,000,000	9,000,000	9,000,000
01.02	Land Transfer Tax	211,475	211,475	211,475	211,475	211,475	211,475
01.03	Land Closing Cost	150,000	150,000	150,000	150,000	150,000	150,000
<b>01.00</b>	<b>SUB TOTAL</b>	<b>9,361,475</b>	<b>361,475</b>	<b>4,861,475</b>	<b>9,361,475</b>	<b>9,361,475</b>	<b>9,361,475</b>
		0	0	0	0	0	0
<b>02.00</b>	<b>Development Approvals And Municipal Costs</b>						
02.01	Rezoning Fees	27,000	27,000	27,000	0	27,000	27,000
02.02	Site Plan Approval / Planning Fees	30,000	30,000	30,000	0	30,000	30,000
02.03	Additional Density Fees	0	0	0	0	0	0
02.04	Building Permit Fees	220,000	220,000	220,000	0	220,000	260,000
02.05	Development Charges	3,303,200	3,303,200	3,303,200	0	3,303,200	3,963,840
02.06	Development Charges - Education	588,670	588,670	588,670	0	588,670	706,404
02.07	Misc. Municipal Fee & Charges	250,000	250,000	250,000	0	250,000	250,000
02.09	Capital Contributions - Parkland Cash-in-lieu	900,000	900,000	900,000	0	900,000	900,000
<b>02.00</b>	<b>SUB TOTAL</b>	<b>5,318,870</b>	<b>5,318,870</b>	<b>5,318,870</b>	<b>0</b>	<b>5,318,870</b>	<b>6,137,244</b>
		0	0	0	0	0	0
<b>03.00</b>	<b>CONSTRUCTION COSTS</b>	<b>57,612,848</b>	<b>57,612,848</b>	<b>57,612,848</b>	<b>57,612,848</b>	<b>57,612,848</b>	<b>68,945,984</b>
03.01	Construction Cost - Below Grade	8,935,680	8,935,680	8,935,680	8,935,680	8,935,680	10,722,816
03.02	Construction Cost - Above Grade	45,000,000	45,000,000	45,000,000	45,000,000	45,000,000	54,000,000
03.03	Construction Cost - Site Development	904,168	904,168	904,168	904,168	904,168	904,168
03.06	Construction Contingency - Design	1,096,000	1,096,000	1,096,000	1,096,000	1,096,000	1,312,000
03.07	Construction Contingency - Post Contract	1,677,000	1,677,000	1,677,000	1,677,000	1,677,000	2,007,000
03.08	Construction Management Fee	0	0	0	0	0	0
03.09	Utility Connections	200,000	200,000	200,000	200,000	200,000	200,000
03.10	Contractor Default Insurance / Subguard Insurance	259,258	259,258	259,258	259,258	259,258	310,257
03.12	Construction Escalation Contingency						
<b>03.00</b>	<b>SUB TOTAL</b>	<b>58,072,106</b>	<b>58,072,106</b>	<b>58,072,106</b>	<b>58,072,106</b>	<b>58,072,106</b>	<b>69,456,241</b>
		0	0	0	0	0	0
<b>04.00</b>	<b>PROFESSIONAL FEES</b>						
04.02	Architect	700,000	700,000	700,000	700,000	700,000	700,000
04.03	Structural Engineer	125,000	125,000	125,000	125,000	125,000	125,000
04.04	Mechanical Engineer	125,000	125,000	125,000	125,000	125,000	125,000
04.05	Electrical Engineer	125,000	125,000	125,000	125,000	125,000	125,000
04.06	Civil Engineer	100,000	100,000	100,000	100,000	100,000	100,000
04.07	Landscape Architect	75,000	75,000	75,000	75,000	75,000	75,000
04.08	Interior Designer	100,000	100,000	100,000	100,000	100,000	100,000
04.09	Geotechnical Consultant	30,000	30,000	30,000	30,000	30,000	30,000
04.10	Environmental Consultant	30,000	30,000	30,000	30,000	30,000	30,000
04.11	Shoring Consultant	30,000	30,000	30,000	30,000	30,000	30,000
04.12	Inspection & Testing	85,000	85,000	85,000	85,000	85,000	85,000
04.13	Energy Consultant	25,000	25,000	25,000	25,000	25,000	25,000
04.14	Planning Consultant	50,000	50,000	50,000	50,000	50,000	50,000
04.15	Surveyor	75,000	75,000	75,000	75,000	75,000	75,000
04.16	Cost Consultant	50,000	50,000	50,000	50,000	50,000	50,000
04.17	Miscellaneous Other Consultants	100,000	100,000	100,000	100,000	100,000	100,000
<b>04.00</b>	<b>SUB TOTAL</b>	<b>1,825,000</b>	<b>1,825,000</b>	<b>1,825,000</b>	<b>1,825,000</b>	<b>1,825,000</b>	<b>1,825,000</b>
		0	0	0	0	0	0
<b>05.00</b>	<b>Development General &amp; Administration Costs</b>						
05.01	Legal Fees - General	200,000	200,000	200,000	200,000	200,000	200,000
05.07	Legal Fees - Finance	30,000	30,000	30,000	30,000	30,000	30,000
05.07	Accounting/ Audit	310,000	310,000	310,000	310,000	310,000	310,000
05.08	Office and Admin	155,000	155,000	155,000	155,000	155,000	155,000
05.10	Property Taxes	351,607	351,607	351,607	351,607	351,607	351,607
05.10	Development Management	2,165,659	2,162,819	2,165,659	2,006,093	2,120,728	2,558,831
<b>05.00</b>	<b>SUB TOTAL</b>	<b>3,212,266</b>	<b>3,209,426</b>	<b>3,212,266</b>	<b>3,052,700</b>	<b>3,167,335</b>	<b>3,605,438</b>
		0	0	0	0	0	0
<b>06.00</b>	<b>FF&amp;E</b>						
06.01	Furnishings	300,000	300,000	300,000	300,000	300,000	300,000
<b>06.00</b>	<b>SUB TOTAL</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>	<b>300,000</b>
		0	0	0	0	0	0
<b>07.00</b>	<b>Marketing And Sales</b>						
07.01	Marketing and Advertising	387,000	387,000	387,000	387,000	387,000	464,400
07.02	Leasing Office (Salaries/ Operations)	387,000	387,000	387,000	387,000	387,000	464,400
07.02	Leasing - Model Suites	50,000	50,000	50,000	50,000	50,000	50,000
07.03	Leasing Commisions	222,750	222,750	222,750	222,750	222,750	267,300
<b>07.00</b>	<b>SUB TOTAL</b>	<b>1,046,750</b>	<b>1,046,750</b>	<b>1,046,750</b>	<b>1,046,750</b>	<b>1,046,750</b>	<b>1,246,100</b>
		0	0	0	0	0	0

## Ottawa Market Sensitivity Analysis

February 18, 2022



Altus Group Code	Development Cost	100% Market Base Case Budget	Land at Zero Value	Land at 50% Value	No Municipal Costs	No PST Costs	20% Density Increase
08.00	<b>FINANCING</b>						
08.01	Loan Commitment Fee	280,000	250,000	265,000	265,000	275,000	330,000
08.02	Standby Fee	0	0	0	0	0	0
08.03	Lender Admin / Discharge Fees	25,000	25,000	25,000	25,000	25,000	25,000
08.05	Project Monitor	112,500	112,500	112,500	112,500	112,500	112,500
08.06	Appraisal	15,000	15,000	15,000	15,000	15,000	15,000
08.08	Letter of Credit Fees	20,000	20,000	20,000	20,000	20,000	20,000
08.09	CMHC Application Fee	26,500	26,500	26,500	26,500	26,500	30,800
08.10	CMHC Insurance Premiums	1,400,000	1,250,000	1,325,000	1,325,000	1,375,000	1,650,000
08.11	PST on Insurance Premiums	112,000	100,000	106,000	106,000	110,000	132,000
08.16	Construction Loan Interest	1,784,880	1,610,808	1,691,305	1,601,709	1,730,976	2,087,508
08.00	<b>SUB TOTAL</b>	<b>3,775,880</b>	<b>3,409,808</b>	<b>3,586,305</b>	<b>3,496,709</b>	<b>3,689,976</b>	<b>4,402,808</b>
		0	0	0	0	0	0
09.00	<b>PRE OPENING &amp; INTERIM OPERATIONS</b>						
09.01	Interim Operating Costs	480,240	480,240	480,240	480,240	480,240	576,288
09.00	<b>SUB TOTAL</b>	<b>480,240</b>	<b>480,240</b>	<b>480,240</b>	<b>480,240</b>	<b>480,240</b>	<b>576,288</b>
		0	0	0	0	0	0
10.00	<b>Operating Expenses, Taxes And Others</b>						
10.01	HST based on Self Assessed Value at Completion	3,894,068	3,894,068	3,894,068	3,894,068	2,396,350	4,672,882
10.02	HST Payable on Development Costs	8,913,850	8,803,305	8,901,370	8,880,626	8,709,145	10,578,561
10.03	HST ITC on Development Costs	(8,913,850)	(8,803,305)	(8,901,370)	(8,880,626)	(8,709,145)	(10,578,561)
10.00	<b>SUB TOTAL</b>	<b>3,894,068</b>	<b>3,894,068</b>	<b>3,894,068</b>	<b>3,894,068</b>	<b>2,396,350</b>	<b>4,672,882</b>
		0	0	0	0	0	0
11.00	<b>PROJECT CONTINGENCY</b>						
11.01	PROJECT CONTINGENCY	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000	1,060,000
11.00	<b>SUB TOTAL</b>	<b>1,060,000</b>	<b>1,060,000</b>	<b>1,060,000</b>	<b>1,060,000</b>	<b>1,060,000</b>	<b>1,060,000</b>
12.00	<b>OTHER INCOME</b>						
12.04	Interim Operating Income	(855,000)	(855,000)	(855,000)	(855,000)	(855,000)	(1,026,000)
12.00	<b>SUB TOTAL</b>	<b>(855,000)</b>	<b>(855,000)</b>	<b>(855,000)</b>	<b>(855,000)</b>	<b>(855,000)</b>	<b>(1,026,000)</b>
	<b>NET PROJECT BUDGET</b>	<b>87,491,656</b>	<b>78,122,744</b>	<b>82,802,081</b>	<b>81,734,049</b>	<b>85,868,410</b>	<b>101,617,477</b>

## **Appendix K: Density Increase Required to Break Even**

**Break Even Analysis - % Density Increase**

Notes & Assumptions:

Analysis is on a Per Sqft basis

GCA - Gross Construction Area (Sqft)

Density increases will affect Total Parking Area, Total Parking Units, Above Ground Area (GCA), and Unit Count.

Project will be financed by 35% Equity and 65% Debt

Toronto - 2.5% Interest Rate and 3 year construction period

Ottawa - 2.5% Interest Rate and 2 year construction period

<u>Toronto Models</u>		Per Sqft GCA		NOI Required	Estimated Value Required	Total Estimated Budget	Developer Profit at	Projected Increase to	Density Increase Range	
<u>100% Market Rents</u>	Cap Rates	Cost	Revenue	(in Millions)	(in Millions)	(in Millions)	Break Even (in Millions)	Density Required to Break Even	Required To Break Even	
	3.50%	783	783	\$7.8	\$223.7	\$223.5	\$0.2	19%	15% - 20%	
	3.75%	730	731	\$9.5	\$254.5	\$254.1	\$0.4	45%	40% - 50%	
	4.00%	685	685	\$11.7	\$292.8	\$292.8	\$0.0	78%	75% - 80%	
<u>90% Market Rents, 10% Affordable Rents</u>		Per Sqft GCA		NOI Required	Estimated Value Required	Total Estimated Budget	Developer Profit at	Projected Increase to	Density Increase Range	
	Cap Rates	Cost	Revenue	(in Millions)	(in Millions)	(in Millions)	Break Even (in Millions)	Density Required to Break Even	Required To Break Even	
	3.50%	764	766	\$8.2	\$233.4	\$232.9	\$0.5	27%	25% - 30%	
	3.75%	714	715	\$10.0	\$267.8	\$267.2	\$0.6	56%	55% - 60%	
	4.00%	667	668	\$12.6	\$315.9	\$315.6	\$0.4	97%	95% - 100%	
<u>100% Affordable Rents</u>		Per Sqft GCA		NOI Required	Estimated Value Required	Total Estimated Budget	Developer Profit at	Projected Increase to	Density Increase Range	
	Cap Rates	Cost	Revenue	(in Millions)	(in Millions)	(in Millions)	Break Even (in Millions)	Density Required to Break Even	Required To Break Even	
	3.50%	580	581	\$17.6	\$501.8	\$501.0	\$0.7	260%	250% - 300%	
	3.75%	542	542	\$29.3	\$780.5	\$779.8	\$0.7	500%	450% - 500%	
	4.00%	508	508	\$74.6	\$1,865.9	\$1,865.9	\$0.1	1430%	1400% - 1500%	
<u>Ottawa Models</u>		Per Sqft GCA		NOI Required	Estimated Value Required	Total Estimated Budget	Developer Profit at	Projected Increase to	Density Increase Range	
<u>100% Market Rents</u>	Cap Rates	Cost	Revenue	(in Millions)	(in Millions)	(in Millions)	Break Even (in Millions)	Density Required to Break Even	Required To Break Even	
	4.25%	463	463	\$4.8	\$113.4	\$113.4	\$0.1	36%	35% - 40%	
	4.50%	437	438	\$7.1	\$157.6	\$157.3	\$0.2	100%	95% - 100%	
	4.75%	414	415	\$12.8	\$268.7	\$268.3	\$0.4	260%	250% - 260%	
<u>90% Market Rents, 10% Affordable Rents</u>		Per Sqft GCA		NOI Required	Estimated Value Required	Total Estimated Budget	Developer Profit at	Projected Increase to	Density Increase Range	
	Cap Rates	Cost	Revenue	(in Millions)	(in Millions)	(in Millions)	Break Even (in Millions)	Density Required to Break Even	Required To Break Even	
	4.25%	456	458	\$5.1	\$119.4	\$119.0	\$0.4	45%	40% - 45%	
	4.50%	430	432	\$7.9	\$174.8	\$174.3	\$0.5	125%	120% - 130%	
	4.75%	408	408	\$15.4	\$323.2	\$322.9	\$0.3	340%	340% - 350%	
<u>100% Affordable Rents</u>		Per Sqft GCA		NOI Required	Estimated Value Required	Total Estimated Budget	Developer Profit at	Projected Increase to	Density Increase Range	
	Cap Rates	Cost	Revenue	(in Millions)	(in Millions)	(in Millions)	Break Even (in Millions)	Density Required to Break Even	Required To Break Even	
	4.25%	390	390	\$73.0	\$1,718.3	\$1,718.2	\$0.2	2350%	2300% - 2400%	
	4.50%	Increasing density will incrementally increase Costs by more than Value/Revenue. Break-Even is not achievable					\$0.0		N/A	N/A
	4.75%	Increasing density will incrementally increase Costs by more than Value/Revenue. Break-Even is not achievable					\$0.0		N/A	N/A